Daily Report

Latin America

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FBIS-LAT-96-104 *29 May 1996*

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Inter-American Affairs: Panama Official on Antidrug Plan

PY2805170796 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 28 May 96

[FBIS Translated Text] The Panamanian Government's proposal of a multilateral inter-American enforcement center for drug trafficking and related crimes seeks to provide a multilateral, joint response to the drug scourge in Latin America. Marcel Salamin Cardenas, Panamanian coordinator for the Rio Group, explained in Cochabamba that his country's proposal seeks to prevent interference by foreign powers like the United States, which have a very specific drug enforcement policy.

Inter-American Affairs: Paraguay FM at Rio Group Summit

PY2805171696 Asuncion NOTICIAS in Spanish 28 May 96 pp 8, 9

[Article by unidentified NOTICIAS special correspondent in Cochambamba, Bolivia, and AFP]

[FBIS Translated Text] Cochabamba, 27 May — Addressing the 15th Rio Group Ministerial Meeting, which opened in Cochabamba (situated in the center of Bolivia) today, Foreign Minister Ruben Melgarejo Lanzoni stated that in Latin America, "there is no longer room for totalitarian adventures or for systems that infringe upon or restrict the fundamental rights and liberties of the individual."

In his speech, the foreign minister thanked Rio Group member countries for "the unanimous solidarity and support" given to Paraguay this past April "at a very difficult juncture confronting the consolidation of democracy in our country."

In the course of his address at the opening ceremony, Melgarejo said that the events in Asuncion, ignited by an uprising organized by former Army Commander General Lino Oviedo, retired, against the Wasmosy administration "proved that we have made great strides in the consolidation of our democracy"

Melgarejo — who made his debut at international meetings as the youngest foreign minister of the Rio Group — further stated that the position adopted by Paraguayan youth, politicians, civilians, and Armed Forces sectors loyal to the president, together with "the indefatigable solidarity shown by the democratic governments of the Americas and Europe, made it possible to close ranks to defeat those who intended to disrupt democracy in Paraguay."

The foreign minister argued that following this experience in Paraguay, "we will keep a watchful eye so as to reciprocate by lending a helping hand to Latin American and Caribbean nations, if need be, to defend and preserve the liberties of their peoples and the democratic system of government."

Melgarejo was of the opinion that democracies will be strengthened as they move ahead steadily in their quest for a harmonious, balanced, and sustainable development "in the context of respect for the specific circumstances in which each of our peoples find themselves."

In broaching the issues of marginalization and poverty, the minister observed that "they continue to be heartrending realities facing our peoples day in, day out, and oblige us to seek mechanisms to palliate them so as to enable our citizens to have a decent living."

To that effect, Melgarejo said that the Hemispheric Summit on Sustainable Development, slated to take place in Santa Cruz de la Sierra (Bolivia) at the beginning of December, will make it possible "to devise imaginative, effective, and urgent solutions to these problems."

The foreign minister endorsed the proposals put forward at the meeting to step up efforts in the struggle against drug trafficking, terrorism, and corruption, and underscored that "these scourges are most detrimental to our democracies."

Melgarejo stressed that the Rio Group has the major responsibility of being a bulwark of trade freedom. "To impair free trade is tantamount to nipping in the bud the efforts, tenacity, and hopes of those who strive to forge the greatness of our peoples," he added.

Having stated that next year Paraguay will assume the Rio Group Pro-Tempore Secretariat with all due seriousness, the foreign minister commented that the Rio Group has become "Latin America's and the Caribbean's major gateway to the rest of the world." This is why, the minister contended, the Rio Group must further closer ties with other blocs, like the EU, "which consider us rightful, trustworthy, serious, and efficient interlocutors."

Inter-American Affairs: Rio Group Rejects Helms-Burton Law

PY2805185096 Madrid EFE in Spanish 1744 GMT 28 May 96

[FBIS Translated Text] Cochabamba, 28 May — Bolivian Foreign Minister Antonio Aranibar on 28 May closed the 15th Meeting of Rio Group Foreign Ministers in Cochabamba. The meeting focused on defense of democracy and the struggle against drugs and corruption.

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The representatives of 14 Latin American and Caribbean countries sent a message to Paraguayan President Juan Carlos Wasmosy congratulating him for his effort to protect democratic institutions, a task that is the primary mission of the Rio Group.

They also issued a communique firmly rejecting the Helms-Burton law and decided to work on joint actions against it.

Inter-American Affairs: Leoro, Tudela To Meet 18-19 Jun

PY2905005396 Quito Voz de Los Andes in Spanish 2300 GMT 28 May 96

[FBIS Translated Text] Ecuadoran Foreign Minister Galo Leoro Franco and Peruvian Foreign Minister Francisco Tudela will meet in Buenos Aires on 18-19 June. The ministers reached this decision today during a meeting in Cochabamba, Bolivia.

Leoro Franco said that they had verbally agreed they would meet on 18-19 June to discuss the procedure for the key negotiations to be held in the future within the framework of peace negotiations between the two countries following the war waged in early 1995.

Inter-American Affairs: OAS Meeting To Discuss Trafficking

PA2805143396 Panama City EL PANAMA AMERICA in Spanish 25 May 96 p 2A

[Report by Henry Raymont from Washington]

[FBIS Translated Text] When this hemisphere's foreign ministers meet in Panama during the first week in June for the 26th OAS General Assembly, they will formally discuss a 60-point agenda. However, other issues will also be included which are not directly outlined in this program.

One of the most controversial issues is the fight against drug trafficking and addiction because some countries are in favor of using their armed forces while others oppose this measure. Another controversial issue are the sanctions that the United States is imposing on the countries that are trading with Cuba.

In addition, Lawrence Chewning Fabrega, Panamanian ambassador to the OAS and chairman of the committee in charge of preparing the draft list of issues, has informed that a full agreement has been reached on the following:

1. The 34 OAS member countries will endorse a declaration called the "Panama Consensus" to express the community's solidarity with the transition of the Panama Canal into Panamanian sovereignty and with the World Congress on the Panama Canal, which is sponsored by the United Nations and will be held in Panama City in September 1997.

2. The adherence of the United States to the Inter-American Convention against Corruption was confirmed following the U.S. Department of Justice's research to determine that there was no conflict between this historic document and the U.S. Constitution. Deputy Secretary of State Strobe Talbott will head the U.S. delegation to the OAS General Assembly and will sign this convention.

3. The acceptance of Chile's offer to celebrate in Santiago the Second Summit of the Americas in late 1997 or early 1998 and the 1998 OAS General Assembly, which will earmark the 50th anniversary of the signing of the Bogota Letter in Caracas, Venezuela.

The convention was prepared a few months ago during a ministerial conference in Caracas. If the United States, and possibly Canada and the English-speaking countries from the Caribbean, sign this convention, the OAS will then become a pioneer in international law. This would be so even though the issue of corruption and its destabilizing impact on the economy, particularly in developing countries, is not new.

However, as a result of the nations' strong interdependence caused by economic globalization, the problem of bribery and other unethical practices in international transactions has become a critical element in this hemisphere's sustained development policy and possible economic integration.

Carl Stern, director of the Office of Public Affairs of the Department of Justice, has informed EL PANAMA AMERICA's correspondent of the U.S. decision to sign the convention. However, he added, the U.S. signature on this document will very likely be accompanied by a proviso that indicates that although the civil law prevailing in most Latin American countries states that the individual accused of illegal enrichment or embezzlement should prove his innocence, the common law applied in the United States specifies that the state is responsible for proving the defendant's guilt.

Some of the political issues that are not included in this agenda, but which will certainly be heard during the meeting are: 1) the amnesty bill that is being debated at the Panamanian National Legislative Assembly for some of [former] dictator Manuel Noriega's aides, which will be condemned by delegates from human rights organizations that will be attending; and 2) the Helms-Burton law, which some Latin American delegations intend to condemn because it applies economic

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sanctions to countries and individuals who maintain business relations with Cuba.

The drug trafficking issue may come up at the 2 June preliminary session, which will follow up the working program that was adopted at the Summit of the Americas in Miami in December 1994. This working program also includes other areas like the strengthening of democracy, economic integration, and the fight against international terrorism and money laundering.

Some countries like Colombia, Mexico, and Peru are unhappy with the "decertification" by the U.S. Congress of countries that cooperate with judicial organizations in Washington to fight drug trafficking because these countries believe that this practice violates sovereignty and the principle of nonintervention in the internal affairs of OAS member countries. Other countries like Argentina, Chile, Ecuador, and Panama fear that U.S. plans include "militarization" in the fight against drug trafficking throughout this continent. In addition, Colombia, Bolivia, and Peru believe that the armed forces' participation is necessary to fight drug cartels, which are equipped with modern weapons, including airplanes and boats that outmaneuver the police corps.

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Cuba

Cuba: Ministry Official Comments on Helms-Burton Law

PA2805201296 Havana Radio Rebelde Network in Spanish 1700 GMT 28 May 96

[Report by Jose Mayo; from the "National Radio News" newscast]

[FBIS Translated Text] [Mayo] The Helms-Burton law has been described as an interventionist and annexationist genocide whose purpose is to destroy the Cuban Revolution and to transform Cuba into a Yankee protectorate. It also has been called the slavery law because the spirit and wording of its text are aimed at bringing our country back to colonialism. This law has eliminated every possibility of having negotiations between the United States and Cuba to normalize bilateral relations. In this regard, Carlos Fernandez de Cossio, director of the U.S. and Canada directorate at the Cuban Foreign Ministry, has stated the following:

[Begin Fernandez de Cossio recording] It is known that there is not much of a dialogue between Cuba and the United States because the United States does not wish to maintain bilateral relations. The Helms-Burton law makes it virtually impossible to find a solution to the problems affecting both countries because it prohibits these bilateral relations by law. [end recording]

[Mayo] Chapter One of the Helms-Burton law establishes that Washington considers as an act of aggression any threat of an alleged flow of Cuban rafters into U.S. territory. This legal monstrosity encourages illegal emigration because its objective is to suffocate Cuba economically. This might have an impact on the 1994 migration agreement. In this regard, Fernandez de Cossio has stated the following:

[Begin Fernandez de Cossio recording] There is no provision in the so-called monstrosity that might have a direct impact on the migration agreement apparently because the U.S. Government did not intend to modify this agreement just as the Cuban Government does not intend to modify it either. You might think that whoever wrote this law intended to bring this agreement into a critical situation by causing a prolonged starvation and an unlimited social crisis that would provoke an uncontrolled flow of emigration, but this will not happen. As it is known, this law will not achieve its main objective of defeating Cuba through starvation; therefore, we do not think there will be any direct impact on the migration agreement. [end recording]

[Mayo] The Helms-Burton law intends to transform Cuba into a Yankee protectorate.

Cuba: Journalist Discusses U.S. 'Maneuvers'

PA2805194996 Havana Radio Rebelde Network in Spanish 1730 GMT 27 May 96

["Straight Talk" program with journalist Eddie Jimenez and program host Osvaldo Rodriguez]

[FBIS Translated Text] [Rodriguez] Good afternoon, friends, this is the Straight Talk program here on Radio Rebelde. Journalist Eddie Jimenez has said U.S. policy toward Cuba has not changed. Today I will tell you that I disagree with your statement. I believe U.S. policy has changed; it has been intensified with the approval of the Helms-Burton law.

[Jimenez] Exactly, you have the right idea. That is not the problem, though. Why do I want to discuss this topic? Because of a remark I heard yesterday. Yesterday someone said that the Mr. Basulto's license to fly was revoked. The computers that had been collected by the Pastors for Peace in Canada were returned. Now they are announcing the release of the computers for our health system that had been collected in the United States by the Pastors for Peace. It seems the people or somebody is confused and is starting to believe that the United States is softening its policy toward Cuba.

[Rodriguez] What people?

[Jimenez] Our people. I heard it yesterday. Logically, I immediately began to argue with them. I am bringing this topic to the Straight Talk program. It is not a matter of a change in policy following the Helms-Burton law as you were saying.

[Rodriguez] When there is such a great injustice, they just have to rectify when it is so evident.

[Jimenez] First, to revoke Mr. Basulto's flying privileges is a maneuver. It is a maneuver.

[Rodriguez] Why a maneuver?

[Jimenez] Because the problem is being discussed at the International Civil Aviation Organization [ICAO]. I believe the U.S. Government is anticipating itself and is telling the public opinion that it has revoked this gentleman's license because he violated the law. They recognize that Basulto violated our territorial waters. Basulto came here twice.

[Rodriguez] That same government, however, was the one that approved the Helms-Burton law in reprisal because our government shot down two of their planes over international waters.

[Jimenez] We claim they were flying over our national waters.

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[Rodriguez] According to them, the pilots were flying over international waters.

[Jimenez] Now they are recognizing that Basulto, with his Brothers to the Rescue squadron, is violating Cuban waters and territory.

[Rodriguez] His gang, I would say.

[Jimenez] Exactly, his gang.

[Rodriguez] A squadron is something more decent.

[Jimenez] The United States is anticipating itself to an event because it knows... [pauses] That is undeniable. That is another evidence that the planes were shot down over national waters.

[Rodriguez] Of course, this is to acknowledge that that was the way it happened.

[Jimenez] Exactly, there is no doubt. Now, I repeat, this is a U.S. maneuver. It is anticipating itself to the events because it knows that the facts can no longer be denied before the international community. It is undeniable.

[Rodriguez] Of course.

[Jimenez] It is trying to block out the incident. The United States is adopting measures against those who attack a third country.

[Rodriguez] As for the computers?

[Jimenez] As for the computers, it is very simple. Look, it is not a matter of a change in policy. We are talking about several elements and none of them have anything to do with the U.S. Government. First, we must talk about the heroic attitude of the Pastors for Peace. It was a heroic attitude because these men were able to maintain their fasting, they have been able to maintain their protests, and they have been able to maintain their banners up high. The computers were collected in U.S. and Canadian territory for our health system and for nothing else, therefore, the computers will benefit a people, who have been blocked for more than 35 years and who have faced economic losses for over $40 billion. They have simply been able to maintain their heroic attitude and this is the result. It is also a matter of the solidarity they have obtained from the U.S. people or from a segment of the U.S. population toward us because there have been demonstrations, there have been protests in front of the U.S. Capitol and in front of the White House. We are talking about the external pressure that is being exerted in the United States against the blockade and, why not say it, we can also talk about our own heroic attitude. We are demonstrating that with our work, with the sugarcane harvest, and with our economic progress. We are showing them that the Cuban people deserve the solidarity of other peoples of the world, including that of the United States.

[Rodriguez] We have Eddie Jimenez here with us. He is talking about the intensification of the U.S. policy toward Cuba, meaning the policy has not changed as he said he heard out on the streets. Eddie, I believe the topic we are discussing today is very interesting because every time there is a gesture of this type, every time there is an action of this type some may become confused and think the policy toward our country is changing. I believe the U.S. Government, be it Republican or Democrat, is seeking the same objective, which is to eliminate anything that smells like socialism from the face of the Earth. I also believe that it does not matter how you want to kill me, by stabbing me or by kissing me, you still want to kill me. The method is irrelevant.

[Jimenez] Perhaps if you are kissing someone to the point of suffocation, that would be worse.

[Rodriguez] Of course.

[Jimenez] The same would be the case if in August, President Clinton decides not to apply some of the provisions of the Helms-Burton law. If he made that decision it would not be a goodwill gesture toward Cuba or anything like that.

[Rodriguez] Not even a gesture toward Cuba.

[Jimenez] Not even a gesture toward Cuba. On the contrary, it would be a reaction to the solidarity that has existed toward Cuba. Not only our friends have shown solidarity because right wing governments that are allies of the United States, governments such as the one in Spain, which recently came to power, the UK Government, and trade partners of the United States, such as Canada, the UK, and Germany have shown their solidarity. They are all protesting against the Helms-Burton law.

[Rodriguez] I do not agree with the term solidarity. There are some countries that have done it out of solidarity. Others are defending their own national interest.

[Jimenez] The thing is that the United States is no longer just trying to block Cuba, it is trying to block the world from Cuba. These countries are seeing that their interests are being adversely affected. It is a matter of solidarity in some cases and in other cases, it is a matter of the world not wanting to be blocked. Is this a gesture in favor of Cuba? No, not at all. It is a logical reaction by the peoples of the world against the United States, whether they show solidarity or not toward Cuba. The

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United States would simply have to make that decision based on world reaction, if in fact it makes the decision.

[Rodriguez] The United States is not only trying to block the world against Cuba, but threats have also being made by Jesse Helms and Dan Burton against countries that are protesting against the law. The threats were not only made against Cuba. This is a precedent that any country can learn from.

[Jimenez] Their arrogance is great, but reactions are also great. Remember that certain countries have also announced measures against the United States if it adopts measures against their investments here in Cuba.

[Rodriguez] Undoubtedly, the law has turned into a boomerang against the United States itself.

[Jimenez] It has backfired. We have recently seen how our tourism minister said that not a single investor in the field of tourism has left Cuba. We have not only seen that, but we saw that the leading Spanish investor, the Sol chain, has said it is betting on Cuba. He said that, if necessary, he would withdraw from the U.S. market. He prefers to bet on Cuba. It is simply obvious, the United States must realize that things are not going its way, it must realize that world opposition is very great and that we continue to develop ourselves. That is why I was telling you that we must also bear in mind the heroic attitude of our people because Cuba continues to develop itself and we are demonstrating it with this sugarcane harvest. We are demonstrating all we are doing and we are demonstrating what we can do. The Helms-Burton law will not destroy the Cuban revolution.

[Rodriguez] U.S. policy toward Cuba has intensified. That is the topic we are discussing today with journalist Eddie Jimenez. Eddie.

[Jimenez] I was saying during the fraternal discussion I was holding with a group of comrades, who had their doubts and who were mentioning these gestures by the United States, that I thought that changes in U.S. policy toward Cuba would only take place the day the United States decided to sit down to talk to us on equal terms and without impositions. That would be a change.

[Rodriguez] To a certain extent that already took place.

[Jimenez] That process began with the immigration issue.

[Rodriguez] According to some knowledgeable men, the detente process began with those talks but this process has stopped.

[Jimenez] It was a detente process that stopped because the Cuban-American mafia, the American-Cuban mafia rather because those mafias are not Cuban-Americans, but American-Cubans...

[Rodriguez, interrupting] We could call them the Miami annexationist mafia.

[Jimenez] The Miami annexationist mafia, by trying to trip Clinton, simply stopped the process. I am talking about the 24 February incidents in which the pirate planes that entered our territory were shot down. A change in policy will take place the day they reflect, the day the U.S.-Cuban mafia, the Miami mafia is no longer able to exert pressure on the executive branch and we can sit down to negotiate on equal terms as all civilized countries of the world do, as all civilized persons of the world do.

[Rodriguez] I called them the Miami annexationist mafia.

[Jimenez] Miami annexationist mafia.

[Rodriguez] When that mafia no longer exerts an influence on U.S. policy...

[Jimenez, interrupting] Unfortunately they will always have some influence, but at least when this election process is over and when this type of pressure is no longer exerted on the executive branch it is possible that we could once again sit down to talk on equal terms.

[Rodriguez] It would be good for everyone.

[Jimenez] I repeat, this is the only way people and states can understand each other.

[Rodriguez] Of course and, besides, we need some tranquility. We want to be ourselves. We want to work and do what we want without someone constantly trying to trip us over so that things turn out bad for us.

[Jimenez] We are only 90 miles away from the United States and we cannot sail away with our island. We cannot remove the United States away from us, either. We, therefore, have to get used to living with them. The United States and Cuba have to get used to living with the Cuban reality, which we are not going to change. There is no reason for us to change our reality. We can sit down and talk. I believe there are many things that interest both nations. We can talk about these things but always on equal terms.

[Rodriguez] We have a minute left and I would ask you to satisfy the curiosity of these people you heard on the streets. Do you see the possibility of an improvement or a change in U.S. policy toward Cuba in the medium-run?

[Jimenez] I cannot speak to you of changes or of improvements. I can tell you that this is a very difficult moment. I am talking about elections in the United States.

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I am talking to you at a time in which pressures are great. I believe that is going to change after November and we will see what new policy the administration will adopt. We will see if the policy will be more down-to-earth and if the talks will be resumed.

[Rodriguez] What do you think?

[Jimenez] I believe this is possible following the elections. It would be the logical thing, it would be the sensible thing.

[Rodriguez] That was Eddie Jimenez' forecast here in the Straight Talk program regarding the U.S. policy toward Cuba, but at this time there are no changes in the horizon, there is no doubt.

[Jimenez] There will be no changes.

[Rodriguez] U.S. policy toward Cuba has intensified. Thank you very much, Eddie, for participating in this Straight Talk program. It is a topic that interests all Cubans, of course.

Cuba: Nuclear Security Agreement Signed With Mexico

PA2505135996 Havana PRENSA LATINA in Spanish 0014 GMT 25 May 96

[FBIS Translated Text] Mexico City, 24 May (PL) — Mexico and Cuba today signed a cooperation agreement concerning nuclear security and radiological protection. This agreement is aimed at strengthening bilateral cooperation in this area.

The agreement was signed by Rosa Elena Simeon, Cuban minister of science, technology, and environment, and Mexican Energy Secretary Jesus Reyes Heroles.

The purpose of the agreement is to expand the existing ties of cooperation between the two nations, which began in 1990, and formalize the working relations between national entities responsible for these affairs.

It also seeks to promote the exchange of experiences between the parties in areas such as the peaceful use of nuclear energy, safety in nuclear facilities, regulation of radioactive waste, and technical-scientific cooperation, among other aspects.

At the ceremony, Simeon and Reyes Heroles expressed the desire of the two governments to reach greater levels of cooperation through these accords.

Cuba: Minister on Expanding Environmental Ties With Mexico

PA2505040396 Havana PRENSA LATINA in Spanish 1612 GMT 24 May 96

[By Raimundo Lopez]

[FBIS Translated Text] Mexico City, 24 May (PL) — Mexico and Cuba will broaden their cooperation in the area of environmental protection and natural resources, as well as in the peaceful use of atomic energy, Rosa Elena Simeon, minister of science, technology, and environment, today confirmed.

The Cuban minister explained that this desire was expressed with the signing of two agreements on this, one signed last Wednesday and the second one signed this Friday.

Simeon remarked that in the environmental area both nations have many things in common, because even their ecosystems are very similar.

Beginning with the exchange of information and experiences, we can contribute to the betterment of our respective environments and even to better preserving the world's environment, Simeon remarked in statements to PRENSA LATINA.

The minister added that cooperation in this field includes the utilization of natural resources, environmental impact, legislation on these matters, and the handling of toxic waste, areas on which the parties have been working jointly for one year. Nevertheless, the agreement signed on Wednesday is the first formal step in that direction.

Simeon noted that the two countries signed agreements for the peaceful use of nuclear energy in 1989, which were ratified that year, with the purpose of exchanging experiences and training and improving the skills of experts from both countries.

During her stay in this capital, the Cuban official also participated in the second Latin American and Caribbean Environment Ministers Meeting, over which she presided yesterday. This event is scheduled to conclude today.

The high-ranking official indicated that the meeting was called to check up on the agreements reached in the first meeting, held last September in Havana.

To the satisfaction of everyone — she asserted — the degree of compliance with these agreements has been very satisfactory. She particularly noted that the objective of turning these meetings into forums for regional political consensus, on such an important world topic, is being gradually achieved.

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These are agreements fundamentally intended to devise a common environmental agenda, exchange experiences, and prevent legislation and decisions adopted by each country in this field from affecting others, the minister stressed. She added the legislation and decisions in this regard should benefit all.

Simeon highlighted that participants had agreed regional consensus is required to preserve the ecosystems, because many ecosystems are shared by several countries, such as the Gulf of Mexico and the Caribbean Sea.

Rosa Elena Simeon stressed that, evidently, these agreements are a step toward Latin American integration, although discussions on these affairs are developed under the auspices of the UN Program for the Environment.

The minister affirmed that the fact our region reached a political accord is also very important for defending our interests, despite the great confrontations existing in the environmental area between the countries of the North and those from the South.

We will continue to take steps in the direction of Latin American integration, in preserving the environment, in technical and even cultural areas, because these aspects have to do with the traditions of each country as well as with the preservation of their identity and sovereignty, the minister said.

Simeon expressed that Cuba has taken significant steps to protect the environment, an effort that has been hindered by the blockade of over three decades imposed by the United States on the small Caribbean nation.

In this regard, she denounced the fact that in order to acquire technology for these purposes, the island has been obliged to invest twice as much and, at times, three times as much in resources.

The preservation and protection of nature is an aspiration of Third World countries that Cuba will not give up, as it will not give up any of its accomplishments obtained since 1959, Simeon concluded.

The minister will return to Havana next Sunday, after touring several Mexican natural reserves tomorrow.

Cuba: Mexican Firm Views Telecoms Investments

PA2505003496 Mexico City NOTIMEX in Spanish 1813 GMT 23 May 96

[FBIS Translated Text] Mexico City, 23 May (NOTIMEX) — The Mexican group Domos, which has taken on the significant task of updating the Cuban communications system, reaffirmed today that its investments in Cuba are becoming profitable. The jump in the number of long distance calls has made this obvious.

A communique has indicated that the results are apparent from the number of calls since the Mexican affiliate Inter-American Telecommunications Enterprise (CITEL) started operations.

Last February, CITEL handled 60,000 long distance calls a day, compared to a daily volume of just 400 calls in the past, the Domos group, headed by Javier Garza Calderon, has indicated.

The group has also installed 37,000 digital telephone lines in Cuba and, as of this year, expanded the number of international output circuits to the world by 900.

The Cuban Domos operation, which began operating in 1994, has also led to the installation of 7,000 lines at the Guanabacoa and Pan-American digital exchanges, 5,000 additional lines in Varadero, and 25,000 more in Buenavista.

"The new scenario in Cuban telecommunications is guaranteeing the profitability of Domos Group investments due to the significant traffic in the number of long distance call generated in the areas that it serves," the communique pointed out.

It indicated that the percentage of "completed calls" at the beginning of the joint venture was 14 percent, and this currently stands at 40 percent, and now the percentage of completed international calls has reached 60 percent.

In 1995 the number of calls with the United States totaled 100 million minutes, which represented a nearly 2,000-percent increase in what existed with CITEL in Cuba, the group added.

The 55-year concession Domos has in Cuba includes national and international telephone service, telecommunications services, data transmission, telex, public telephones, radio communication, paging, and subscription television, among other things.

The participation of Domos became a reality thanks to the signing of a framework agreement, establishing the Cuban Telecommunications Enterprise, Inc. (ETECSA).

The agreement signed with CITEL established the purchase of 49 percent of the Cuban telecommunications industry, including all services, except cellular telephone services. In the meantime, the remaining shares belong to the Cuban company Telefonica Antillana.

There are approximately 400,000 telephone lines in Cuba, which represents 2.5 lines for every 100 persons. In addition, the Domos project hopes to reach 1 million lines by the end of the first seven-year period.

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The group seeks to have 11 [number as received] lines in place for each person at the end of this first phase, and in the case of Havana, 20 lines for every 100 persons.

"The total investment of the business is approximately $1.5 billion, of which Domos would contribute 49 percent. To this figure, $700 million will be added in the next seven years for the expansion and modernization of the network," it noted.

In 1995, Domos announced the sale of 25 percent of the shares of its subsidiary CITEL to the firm STET International Netherlands, a subsidiary of the Italian state-owned Telecommunications STET, for $291.2 million.

Cuba: Mintur Director in Russia Views Tourist Potential

PA2805205296 Havana PRENSA LATINA in Spanish 1550 GMT 26 May 96

[Article by Alejandro Gomez]

[FBIS Translated Text] Havana, 26 May (PL) — In several years, Russia, which now has 150 million inhabitants, could occupy an important position among the markets sending tourists to Cuba as a result of a growing Russian interest in Cuba as a tourist destination spot.

In an interview with PRENSA LATINA, Nestor Sosa, director of Cuba's Ministry of Tourism (Mintur) Office in Russia, pointed out that some 8,000 travelers, including vacationers, businessmen, and others, came to Cuba in 1995.

The number should noticeably increase this coming season as a result of the upcoming opening in Cuba of the "Latina" Moscow travel agency, which specializes in booking tourists for America, Sosa pointed out.

Sosa said that Atlantic Travel and Druzhina travel agencies in Moscow and the Altus travel agency in St Petersburg already have offices in Havana.

Regarding the recent 17th Tourism Convention, Cuba 96, and the 8th International Salon of Technology and Tourism Products, Tecnotur 96 — which ends today — Sosa said that Russia was represented by 23 delegates from a dozen different travel and tour agencies.

Sosa pointed out the attendance at these conventions of Serguei Shpilko's, who is the vice president of the State Committee of Physiculture and Tourism (GFKT), and who — according to Sosa — seemed very satisfied with the convention's results. He was particularly impressed by the organization of the convention and the way it facilitated contacts.

The Mintur official to Russia said that during their conversations, Shpilko and the directors of Cuban and other tourism companies expressed their mutual interest in expanding bilateral relations in the so-called leisure industry.

Sosa added that this would fulfill the inter-governmental agreement regarding the tourism sector signed by Cuban Vice President Carlos Lage and Russian Vice President Oleg Soskovets last October in Havana.

Regarding the travel preferences of Russian vacationers, Sosa revealed that the kind of tourism most often requested was sun, beach, and health, in addition to nautical activities and excursions.

Cuban tourism companies are aware of the potential of the Russian tourist market and have continually participated in fairs organized in Moscow and St Petersburg to attract travelers to Cuba.

Cuba: Haitians Repatriated From Guantanamo by Plane

PA2505034396 Havana Radio Rebelde Network in Spanish 1700 GMT 22 May 96

[Report by Reynaldo Santana and unidentified reporters; from the "National Radio News" newscast]

[FBIS Translated Text] [Anchorman] Some 200 Haitian immigrants, who accidentally arrived in Cuba last April, were voluntarily repatriated today from Guantanamo to the Haitian capital city by plane. Reynaldo Santana gives us more details.

[Santana] Two I-18 airplanes from Cuba's Caribbean Airlines [Aero Caribe] transported 176 Haitian men, 11 women, and 4 children who had been staying at the Center for Immigrants and Refugees in Maisi Point in Guantanamo. This operation concludes the most recent repatriation of Haitian citizens, a process that began on 14 May, when other Haitian immigrants returned to their homeland.

The Cuban Red Cross and (Dexi) [expansion unknown] were coordinating this repatriation process, which the International Organization for Migration [Organizacion Internacional para las Migraciones] is sponsoring. This organization has often congratulated Cuba for strictly complying with its standards.

In general, many Haitians try to escape their country's difficult situation. Haiti is one of the world's poorest countries. Illegal Haitian immigrants travel to the southern United States to work as cheap and discriminated-against labor.

They travel by sea to the United States on unstable vessels that are overloaded with passengers. When they

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suffer either accidents or shipwrecks, they are forced to reach the Cuban coast.

Cuba has freely provided humanitarian aid to more than 175,000 Haitian immigrants since 1980.

[Anchorman] The first group of Cubans who had illegally entered Jamaica on their way to the United States arrived in Santiago de Cuba on 20 May. This group includes 13 Cuban citizens, all of whom are from Granma Province.

[Reporter] This repatriation process complies with the agreement that Cuba and Jamaica signed on 16 May. Jamaica has pledged to return illegal Cuban immigrants who had recently reached Jamaican coasts.

Including this group, a total of 349 Cuban citizens have been returned by either the United States or the Bahamas. In May 1995, Cuba and the United States signed a migration agreement, which provides for the return of those who illegally attempt to enter U.S. territory or Guantanamo Naval Base.

Last January, Cuba and the Bahamian Government signed a memorandum of understanding, whereby both countries pledged to put an end to this type of migration and to repatriate all the Cuban citizens who have illegally entered the Bahamas after 4 August 1994.

Cuba: Ammonia Leak Occurs at Havana Fishing Port Facility

PA2805143196 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 28 May 96

[From the "NTV Newscast"]

[FBIS Translated Text] In the early hours of 27 May, an ammonia leak occurred at the installations of the Havana fishing port. The national staff of the Defense Ministry issued a news bulletin later that afternoon stating that the penetrating smell of the gas spread to areas near the fishing port, in the neighborhood of Jesus Maria, the central railroad terminal, and the neighborhood of Cuatro Caminos, as well as in other nearby areas belonging to the capital municipalities of Havana Vieja and Centro Havana. According to the information we have received, no one has died or has been hospitalized due to this accident.

[Unidentified reporter] The quick actions by the National System of the members of the Fire Department, the Red Cross, and the Havana Fishing Port workers prevented the consequences an ammonia leak could trigger. The leak occurred shortly after 0400 hours the morning of 27 May:

[Begin recording] [Unidentified speaker] An ammonia leak indeed took place. It is a leak that spread to neighboring municipalities because of weather conditions and caused some alarm. The protection system established here at the fishing port was activated. The people and the firefighters were warned.

[Reporter] What about the products stored in the fishing port?

[Unidentified speaker] These products were not damaged. They could be out of the chiller for a long time because they are frozen. As you can see, the plant is operating, and the people's fish was not adversely affected. [end recording]

[Reporter] The incident took place because of a broken screw in one of the valves located where the ammonia is stored:

[Begin recording] [Reporter] What would you say about the ammonia to those who live nearby?

[Havana Port Manager Roberto Espinosa] That they can rest assured that the situation is under control and that their lives and belongings are in no danger. [end recording]

Cuba: Water Pipe Bursts, Leaves Municipalities Dry

PA2505142596 Havana Radio Rebelde Network in Spanish 1700 GMT 24 May 96

[Report by Marisela Escozo; from the "National Newscast"]

[FBIS Translated Text] Several Havana City municipalities are having water supply difficulties.

We interviewed provincial aqueduct directorate expert Santiago Simon. He said:

[Begin Simon recording] As we announced yesterday, there was a crack, a big crack, in Cuenca Sur at 0900 and since yesterday downtown municipalities have been affected. The affected municipalities are Centro Havana, Havana Vieja, Plaza de la Revolucion, Cerro, and the northern sectors of Boyeros — the area of Embil, Ciudad de la Construccion, Aldabo, Miraflores, all of that area.

We have been working without interruption to repair this crack. At 0800 this morning the 17 Cuenca Sur units began working and we are now in the phase of returning pressure to the Parati link, which should be ready in the afternoon and we will then begin supplying water to the various areas based on schedules and locations. [end recording]

Simon also reported that the Iguanao plant shut down this morning for lack of electricity and, as a result,

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the Playa and La Lisa municipalities are without water. Services will be restored in the territories east of the capital in two hours, once the repairs on the Planta de Filtro equipment, which broke down this morning, are completed.

Cuba: 1 Million Pesos To Repair, Maintain Canals, Dams

PA2505122096 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 21 May 96

[Report by Rafael Daniel; from the "NTV" newscast]

[FBIS Translated Text] Over 1 million pesos have been invested in Sancti Spiritus Province to repair more than 20 km of canals and to provide maintenance to dams in this territory, which has a storage capacity of 1.336 million cubic meters of water, the country's largest. According to Jose Garcia Lorenzo, director of Sancti Spiritus' Water Resources Agency, which is the country's best, these works that had been suspended for a number of years are of vital significance for the development of sugarcane and rice programs in this central region. For instance, the southern (Bugaro) rice mill will require more than 500 million cubic meters of water this year. [Passage indistinct] Over 700 million cubic meters, or 57 percent, is in storage, which is positive statistic for this time of year. Some 630 million cubic meters are destined for the sugarcane harvest, which did not reach half of this amount during the same period last year.

Cuba: Professionals, Guests Attend Tourism Convention

PA2505234296 Havana Radio Havana Cuba in Spanish 0000 GMT 25 May 96

[Report by Amalia Sanmartino; from the "Evening Information Review" newscast]

[FBIS Translated Text] More than 1,500 professionals and guests from 53 countries have attended the 17th Cuban Tourism Convention 1996 held at the Conventions Palace in Havana during the best time of this lucrative sector of the island.

Tourists and all those who visit Cuba to learn of and enjoy its beauty and the warmth and amiability of its people apparently are not paying much attention to the absurd political and economic punishment imposed on the island by its envious neighbor to the north.

Official data indicate that more than 300,000 foreign tourists arrived in Cuba during the first quarter of this year; this figure represents a little less than twice the number of tourists, 197,000, who arrived on the island in 1995 during the same period. More than 740,000 tourists visited the island that year.

Hotel chain managers, tour operators, and representatives of foreign firms operating in Cuban tourism agree in saying that Cuba has undeniable potential of becoming a powerful tourist center, and they point to the people of the island as the main attraction.

Commenting recently on this passionate issue of tourism, which is becoming increasingly progressive on the hospitable island, the news agency PRENSA LATINA reported that the conditions in the country are increasingly luring foreign investors to invest in this field; as is made evident by the recent installation in Cuba of more than a dozen mixed enterprises, nine of them in the hotel sector.

These nine enterprises operate approximately 4,100 rooms with an investment of approximately 300 million [currency not specified]. Of these rooms, 1,260 are being used; the rest are in various stages of construction. Another fact that indicates the growing interest in the Cuban market is that in 1991, 17 foreign airlines had flights to Cuba, and now 40 foreign airlines fly to the island.

Despite these achievements, tourism authorities know that much remains to be done and much has to be improved in infrastructures and the quality of service in order to be truly competitive in the world tourism market.

The participants in the 17th Cuban Tourism Convention 1996 have certainly noted the changes made in this sector since 1990, when the Cuban Government decided to promote tourism with the objective of pulling the country out of its economic crisis. Cuba's economic limitations resulting from the vanishing of the socialist bloc and the tightening of the U.S. blockade have not annulled the wish of international tourism to get to know this sunny island.

Now, just as the Helms-Burton law is trying to drown the nation, international rejection has made it evident that other countries, including allies of Washington, are not prepared to obey orders.

Cuban tourism has a beautiful future, as was made evident by the expressions of many foreigners and by the visits that have just been received.

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Cuba: Report Views 17th Tourism Convention in Havana

PA2505173796 Havana Radio Havana Cuba in Spanish 0000 GMT 25 May 96

[Report by Isis Maria Allen; from the "Evening Information Review" newscast]

[FBIS Translated Text] The 17th Convention of Tourism, Cuba 96, concludes Friday in Havana, following four days of hard work. Major contracts have been signed. These contracts will make it easier for thousands of persons from throughout the world to travel to Cuba.

Likewise, new work-links have been established between various national enterprises and between national and foreign enterprises to promote recreational activities, perfect the existing ones, and to leave open the possibility of new variants to the people who arrive on the largest of the Caribbean islands seeking enjoyment.

This 17th tourism convention in Cuba has achieved professional status, having attracted the participation of more than 1,500 professionals from 52 countries. Cuba has demonstrated the prestige it has attained at the international level.

It is anticipated that this convention will eventually become the most important of its nature in the area. In addition to the negotiations that went on during this convention, the event was also characterized by the original way in which the national stands presented Cuba's image and what it offers through its most important hotel chains, such as Cubanacan, Gran Caribe, Gaviota, Isla Azul, and Puerto Sol Marina and entities dedicated to young tourists, like Cubamar, as well as other enterprises, such as Paradiso, which specializes in cultural tourism; Rumbos, the largest extra-hotel recreational and tourism services group; and the Conventions Bureau, among others.

The growing presence of foreign tourism entities in Cuba was evident from the presence of the stands of Sol-Melia and Trit, of Spain; Golden Tour, of Netherlands; Super Club, of Jamaica; and Delta, of Canada, among others.

One highly anticipated moment of the convention was the news conference by Cuban Tourism Minister Osmany Cienfuegos, who on the penultime day of the convention, answered many questions.

One question had to do with the impact the Helms-Burton law has had on negotiations with foreign enterprises.

[Begin Cienfuegos recording] The presence of foreign investors who want to invest in tourism continues to grow. Of course, the law issued by the United States could at any given moment produce expectations that could lead to a certain degree of stagnation for some time. However, we must say that so far this has not happened.

We can objectively say that talks we had been holding with investors and businessmen from various countries, that the businesses we had been discussing with them, have been stepped up.

So far, we have not noticed any recession, but it is logical to expect this could happen at any given moment as some may wait to see how our friends from the frantic and brutal north implement or try to implement this law.

We are not afraid of or concerned with that. [end recording]

When asked about the securities Cuba offers investors, Cienfuegos said:

[Begin Cienfuegos recording] What the Cuban Government offers with regard to investment security is the soundness of our revolution, independent from the legal protection that our legislation offers all investments, not only to tourism-related investments. As you know, Law 77 was promulgated last year. That law establishes regulations on foreign investments. That law substituted Decree-Law 50 passed in 1982. This new law is a much more flexible law that offers all sort of security to foreign investors not only in the field of tourism, but in general.

In addition, it is public knowledge that the Cuban Government has signed more than a dozen agreements with various governments giving security to foreign investments.

From the legal point of view, all these steps guarantee that foreign investors may enjoy all the security that suits them. [end recording]

With regard to the flow of tourism to Cuba so far this year, the minister said:

[Begin recording] [Cienfuegos] Up to April, we have grown 44.8 percent. From January to April of this year, 1996, compared to the same period of 1995, growth has been 44.8 percent. In April we had, approximately, a 27-percent growth; In May, until the day-before-yesterday, it was 32 percent. We expect to close May with a 35-percent growth. In June we expect to finish a bit above 35 percent.

According to statistics based on traditional yearly season figures for our country, the first four months of the year, from January to April, bring 37 percent of the total number of tourists in a year. If this year this is

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true again, by the end of the year we will have hosted 1 million tourists. We expect this. Also this year, we will be incorporating new rooms and products to our current accommodations. We are working on the various markets. We are taking action that will allow us to host 1 million tourists. If we do not make the 1 million mark this year, we will make it next year. We are not going to adopt desperate measures. We are not going to go for exceptional measures, such as special rates, to secure the 1 million mark. This mark is not a goal. This mark has to be a result of the work we are performing. If we make it, fine; if not, we will wait until next year. We will settle for 987,000 or 986,000 tourists. That's fine. If we make it to a million we will celebrate it with a big event. We will see as time goes by. We are going to celebrate that mark. We are thinking about celebrating the 1 million tourists' day. All the tourists arriving the day of the 1 million mark will be treated to activities. All the tourists arriving that day will benefit.

[Reporter] Some foreign travel agencies are still promoting Cuba as a sex-tourism destination. I would like to know if your ministry, the government, has a position on this and if so, what measures will be adopted toward agencies that make this type of advertising?

[Cienfuegos] It appears that the measures we have adopted toward agencies doing this have not been enough. We will have to enact more punitive measures in this regard. Apparently they want us to do something about it. I have been informed that in some places there has been advertising of this nature. This is false advertising whose purpose is to harm us, to disperse [words indistinct]. This is, of course, a way of attacking us. Attacks come in many forms. This is one way of attacking us. Recently, there was advertising of this nature in Spain. I do not know what a person like Mas Canosa would do in a situation like this. If we were to act as fools like him, we would do something about it and resolve the problem in some way. Our enemies engage in this kind of work. They attack the revolution by various means. This is one of those ways. Of course they are running out of arguments. At any given moment, we had here activities that were not controlled.

Many people are complaining about the many measures we have adopted in this regard. Some friends have complained that the measures we have adopted are excessive, but we are going to maintain those measures so there is no doubt whatsoever that we do not want this kind of activity in our country. We do not want a penny from that. This is our policy. We have said we are trying to control that. Some enemies use this to try to sow confusion, to detour the kind of tourists we need in the country, the tourists for whom we are working. [end recording]

Cuba: Technological Management Meeting Begins in Havana

PA2505140296 Havana PRENSA LATINA in Spanish 2258 GMT 22 May 96

[FBIS Translated Text] Havana, 22 May (PL) — For the purpose of increasing the ties among scientific research organizations, the sphere of production, and marketing activities, the international meeting on technological actions called Ibero-Gecyt [Science and Technology Management Center — Centro de Gerencia de Ciencia y Tecnologia] '96 is taking place in Havana.

That forum is being held in conjunction with a meeting of business opportunists that seeks to interrelate, in a practical manner, Ibero-American entities and innovations.

As Lazaro Ramos, a consulting professor of Cuba's Gecyt told PRENSA LATINA that the business meeting seeks to become a favorable framework to interrelate researchers, producers, marketing agents, and financiers in an efficient manner.

In that respect, this afternoon, four letters of intent were signed with an equal number of countries (Argentina, Brazil, Mexico, and Panama) to hire the services of the Gecyt's advisory department and specialized studies, which constitutes a first step toward future cooperation contracts.

During today's session, the Ibero-Gecyt '96 was ratified as the best scenario to compare and contrast knowledge on technological management and innovation.

Based on the reception given to them by the experts, the most outstanding lectures were given by Mexican Jose A. Estaba Maraboto, on research and development services (I"D) [acronym as received] for industry and by Cuban Fidel Castro Diaz-Balart on the I"D system of the Cuban Basic Industry Ministry.

In his lecture, Castro Diaz-Balart stressed the value that the island and the aforementioned ministry in particular attach to I"D as an indispensable resource to achieve an effective technological modernization of the industry.

Having the same function as Ibero-Gecyt '96, but devoted to Cuban problems, the fourth national of technological management will begin tomorrow at Havana's Capitolio Center. The purpose of this meeting is to provide an answer to the question: How does one manage innovation?

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Cuba: Fidel Castro Address on ANAP Anniversary

PA2805214396 Havana Radio Rebelde Network in Spanish 2151 GMT 17 May 96

[Address by President Fidel Castro at the ceremony to mark Farmers' Day, the 35th anniversary of the National Association of Small Farmers (ANAP), the 37th anniversary of the Agrarian Reform Law, and the 50th anniversary of the killing of peasant Aniceto Perez Garcia at the Camilo Cienfuegos Square in Ciego de Avila — live relay]

[FBIS Translated Text] Viva the farmers! [applause] Male and female farmers! People of Ciego de Avila — Avilenos. It used to be that to say Avileno was not the same as saying farmer because none of this used to exist. Ciego de Avila, and I hope I anger no one by saying this, was a hamlet. But after the political and administrative division, and even before, it began to grow and now has institutions comparable to the ones in the country's capital.

You cannot hear because of the microphones. I do not know what make they are. Maybe they are [words indistinct]. [laughter]

Well, let us hope something can be heard. Can you hear me over there? [crowd shouts: "Yes"]

I was saying that there are institutions comparable to the ones in the capital, which were built and continued to appear before the special period. We have just walked by some installations nearby, the stadium under construction, and several others.

There are many structures that had not been completed and now are being completed, through a big effort. I recall that a few days ago, a visitor of a Latin American delegation that was in one of the provinces, Cienfuegos I believe, upon seeing a hospital in Cienfuegos, said: I wish we had a hospital like this in our capital. [Words indistinct] and have not lost their hopes to expand it, but because here you have another historic and large city, that of Moron, some things had to be shared. This happened in some universities where we have them: in Ciego de Avila and Moron. The same happened in Granma, Manzanillo, and Bayamo. We had to make distributions. We should not worry about that. The capital of the province has grown and continues to grow, like the northern zone, like the rest of the province, and like all this area, which will experience an extraordinary growth as a result of the great tourist hub being developed throughout the cays in the province's north.

Many peasants came to the city and settled in Havana Province, not only in the province, but also in Havana City. One could even say that the peasants are taking over [campesinaje]. Many ended up in the capital. We are aware of this, but I did not come to criticize you, let alone criticize life, especially the very hard life our peasants endured in the past.

From the mountains, especially the eastern mountains, how many peasants marched west with the rebel army? How many more peasants followed their relatives?

There were no roads, schools or hospitals. These problems could not be solved overnight, at least the problem of the roads could not be solved overnight, but the problem of schools was almost solved overnight, not with buildings, but with institutions, with teachers and [word indistinct]. The level of poverty that prevailed in the rest of the country was such due to the lack of basic services in all sectors, and obviously many people sought better prospects in the city. [Words indistinct] the fact that peasants made up a large portion of our Army. The hostility of our powerful neighbor compelled us to create a huge armed forces, in which who knows how many hundreds of thousands of young peasants joined to offer their services over the years. Thus, many sectors suffered, such as the coffee sector in the mountains, and the tobacco sector in some provinces, where crops were lost. It was an opposite movement than what would take place in a country... [pauses] where living conditions were so difficult, where the peasants were idle in the rural areas, in their own fields, and they had to go to the mountains without anyone's help, penniless, to find some land. This was done by the stronger and most courageous people, who went to try to survive in the mountains. Undoubtedly, the mountains are very cold, because hundreds of thousands of hectares were cut down. There was no way to utilize the prairies. They were burned, then some tubers were planted instead of coffee, so finally people could obtain a land-ownership deed by claiming the land after three or four years, and the peasants would have to move to sow another tobacco plantation. Thus, our last liberation [words indistinct] this had already happened in a large portion of the Sierra Maestra, where there were ever fewer virgin places in which to cut down trees. You all know that in places where trees are cut down and burned, a [word indistinct] grows that was known during the war as [word indistinct]. Those places were hell, where no one could walk. It might take hundreds of years to reforest the area. This was not criminal action only against man, but also against nature. It can be categorically said and contended that the Revolution took care of the mountains.

One of the first plans to build roads and highways was implemented in the mountain areas. The Sierra Maestra was teeming with roads, and so was the Escambray and Pinar del Rio. You all know how things are in

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the mountain areas. There is firm ground and then a river; the river might be 4 km or 4.5 km long, but we had to climb 1,000 meters to return to the same place. In the mountains you get tired of building roads and yet you always find yourself relatively isolated. In these 35 years, the Revolution has given priority status to the mountain areas, and during the special period, we made great efforts. It is in the mountains where it took place. However, the situation was not the same. We undertook an effort to bring about what we might refer to as a repopulation of the mountain areas, but under different conditions. Our first objective in this area was to conduct literacy campaigns, and our first move in this regard was to build 10,000 classrooms, because there were 10,000 jobless teachers. They were created all at once, a plan that included 10,000 teachers. Later, we realized we had not hired enough teachers, and we hired students in the city to go teach in the rural areas. The same problem experienced in the mountain areas was taking place, although on a smaller scale, in the plains: there were no roads or public services.

Who had seen a hospital in the rural areas? Who could have said then... [pauses] and I am not referring to the many young people, whom, with great satisfaction, we see here today, but I am referring to your parents and grandparents. Who among them had seen a hospital in the rural areas, even a mobile clinic? How many of them knew a doctor, even a visiting doctor? Who knew of a mouth disease specialist even though there were a few around with equipment that looked like scissors sharpeners. They were trying to resolve mouth disease problems in rural areas. There were some rural schools, not in the mountains but in the plains, and they only had one teacher, one teacher if they were lucky. Even though the entire country had problems, it was in the rural areas where peasants and workers, not only peasants, but agricultural workers and workers from the latifundia... [pauses] we took the basic services to these areas to save people's lives. How many children were dying every year because of epidemics of gastroenteritis and what have you? There were epidemics of all kinds; there were many diseases that do not exist in the rural areas today. The Revolution did away with the diseases to such an extent that it was able to achieve an infant mortality rate of less than 10 per every 1,000 live births. This is not only the case in the cities, but also in the rural areas, primarily because of an outdoor lifestyle. There is a better quality of life in the rural areas, but this complement was missing. Not only health services, but also doctors and hospitals reached the population in these areas with the construction of roads, as well as better living conditions and food. Before, the peasants had to keep their food and sell it at any price once a relative was taken ill or something unexpected happened in the family.

Today, we are speaking about the 37th anniversary of the signing of the agrarian reform, the 35th anniversary of the creation of the ANAP, and the 50th anniversary of the brutal assassination of peasant Aniceto Perez. However, we still speak as though we were living in that period. We had gotten so used to those years and those conditions that we did not notice that the situation in the rural areas has changed. Change is what can be said and change is what can be found in the clever remarks of the Nabori Indian, always affectionate and zealous about the peasants' cause, as well as the remarks by the comrade who spoke here on behalf of the visiting delegates, and the outstanding remarks by Lugo. They outlined different issues, and I thought: I have nothing else to say. Although there are always a few things one can say. When they pointed out the work of the Revolution they were reminiscing about what life was like, the agrarian reform, and how many people it benefited and how many people received lands thanks to it. Lugo reminisced about people's farms, which provided jobs to the hundreds and thousands of landless peasants who lived in the rural areas without land and receiving insignificant wages after many years of work. Those men waited for the sugar harvest by waiting in line in the sugarcane fields in places as sparsely populated as Camaguey and some parts of Ciego de Avila. They would come from as far as Havana to cut sugarcane. They would buy their ticket and stay in a shack, and were assigned quotas of sugarcane to cut.

So a high goal is set for him. The more sugarcane he cuts, the more he gets paid, and the more he is praised. They were told sometimes to cut more than 200 arrobas instead of 150. (?In the first place), in that situation, the number of jobs is less than the number of jobless workers and those who have a job usually work for one and one-half months out of three, sometimes more, sometimes less. And then there were adjustments and idle periods devoted to weeding. There were no shelters. Did any of you ever hear of a shelter in a sugarcane field? Or of a workers diner in a sugarcane field? Or of a passenger bus in a sugarcane field? Or of a bed or a mattress in a sugarcane field? Did any of you ever hear of cold water in a sugarcane field? Our workers toiled in those conditions during the sugarcane harvests. Something curious happened, however. In (?the plains) something similar to what happened in the mountains took place. All kinds of jobs emerged everywhere. Although living conditions in the plains, however harsh, cannot be compared with those in the mountains regarding distance and all that. In fact, cemeteries along the Sierra Maestra and the coast tell

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the story of relatives that took their sick children to wait for the passage of a schooner to take them to a doctor. Lots of crosses were left there.

When capitalism is discussed, it must be said that capitalism is to cut sugarcane, not brand-new cars that are used in industrialized countries that pilfered the world, and that forged their development at the expense of the other peoples' poverty. When we think about capitalism, there are so many things we should see, including the lesson of those small cemeteries left behind by those who had hoped to save someone, someone who could be here among us. They [not further identified] died many years ago, many tens of years ago.

The revolution involved many things; it mainly united men who, in addition to being exploited and neglected pariahs, were peasants and countryside workers. They were a man or a woman who, most of the times, did not even know how to sign their name. They had to use their fingerprin[illegible] I believe that with the revolution the use of fingerprints is reserved for identification cards of some [word indistinct] whether for voting or for signing a piece of paper, and one had to look for a stamp pad. They were the people who were despised by a rich and exploiting class; they were exploited and despised by a pro-imperialistic government that had surrendered even the last square centimeter of the flag of this country, which had attained many glories, and which had shed so much blood from our people.

That man was a victim, the last card in a game; he was fully mistreated. It was an honor to be greeted by a large estate owner, and he should never strike a rural guard. A beginner, who wanted to purchase their land, purchased it when he wanted and at the price he wanted. This was the real market prevailing there; it was the time when products accumulated because the people, workers, families had no money to buy them. This shows how the rich despised that society.

The first and best thing the revolution did was to unite people; they did not have to be rich or wealthy. They later had the same privileges the rich and wealthy people's children had, because the revolution did away with that. When I talk about the revolution, I am talking about the people, because the revolution is nothing more than people with power. The revolution sent over 100,000 people who taught how to read and write, and created tens of thousands of schools to teach how to read and write, and made people graduate from sixth and ninth grades. It created hundreds of thousands of scholarships for, first, the children of men and women of the countryside, the mountains, and the plains. They were peasants and workers. The houses of rich people in the capital, without having to evict anyone out of their houses because they hit the road to Miami believing it was for a few days only, alone lodged 100,000 peasant daughters. They left the mountains to learn something, not only to (?ride a horse) but also to sew their clothes. We do not know how many tens of thousands of sewing machines were given out in this country. In this country, most peasant women are capable of making such an elegant dress, it could compete with foreign fashion shows in Paris [words indistinct] everything that could be done was done. This was done by another man, another man and another woman. Then, those children went to those schools that seemed to be made of straw because there was not a single [words indistinct] underneath a single tree. They studied and became doctors, engineers, lawyers, economists, or mouth disease specialists, the careers that were created. They became teachers, professors, or officers of our glorious revolutionary armed forces or our Interior Ministry, or they went to the (?state) to offer their services because by then the posts were not distributed in exchange for electoral favors and such things, as it was done before.

The teachers we needed in schools were taken to manage other places. Our workers and peasants from cities and the countryside became the new administrators. At the beginning, one of these nationalized sugar mills had to be managed by a comrade who had only attended the 10th or 12th grade of school. There were doubts. Where were the managers? Who did they learn from? From the middle-class and the large landowners? The people became managers; of course they did not have a great deal of administrative experience. Many mistakes of all types were made everywhere. Suddenly the people saw the results. They were the owners of everything there was: land, factories, institutions of all types. It was said here that schools and hospitals would never be privatized. Institutions of all types emerged; arts schools and instructors soon followed throughout the country. Sportsmen and sports instructors followed in this country, too. Cuba nowadays is not the country we all recall. We have the largest number of teachers per capita in the world, in the world, not in some part of the world. We have the largest number of doctors per capita in the world; we have the largest number of sports instructors in the world. We have a large number of scientists, I do not have figures here to make a comparison now. We reached first place in many things.

This country, which is being blockaded, has the lowest infant mortality rate among third world countries, even lower than those of many industrialized countries; this country where crime, abuse, and evictions, as well as diseases, ignorance were eradicated. What we had to do was to stomp it out as if it were a bug. This is not

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the country where those crimes were committed and where injustice prevailed. Now, we have new laws in the country to do away with this. That is why when we speak about the agrarian reform there is an issue that is very important to mention: the fact that we were living in a country that was not ours. It was a country that belonged to a few thousand large land- and home-owners, to a large number of foreign companies, mainly U.S. companies. Who owned all this land? Who owns most of the land in this workplace? Of course, there were small peasants who had been able to own their land, but they did not have guaranteed credits, markets, or prices. However, they did have many injustices guaranteed, but at least they held the titles of the land. Who did those immense fields belong to? The ones we see today planted with sugarcane, citrus or rice fields belong to the people. They belonged to others. In this country, the agrarian reform recovered all this for the people. Of course, the large estate owners and the foreign companies that had taken over our land could not forgive this.

The day when the agrarian reform was approved, they started preparing the Bay of Pigs invasion and the economic blockade. The economic blockade was the price we had to pay. It represented hostility and the decision to destroy the revolution. It was a revolution that had started implementing the agrarian reform; it had to be destroyed according to the imperialistic concept. There were certain companies that owned 10,000 hectares, I mean 10,000 caballerias. There were a few that big. There were companies that owned up to 21 sugar mills, as well as the surrounding land. Speaking of hectares, there were certain U.S. consortia that owned numerous companies that, together, controlled more than 1 million hectares of sugarcane, more than 1 million hectares of sugarcane. Our country was not ours.

There was a major agricultural revolution on 17 May. It was a great day and a great night. It was the day the country became independent. [applause] It was the day we started being independent. Later, these fields changed into roads and highways, dams and canals, because the revolution filled the country with dams. Had it not been for the special period, which limits our access to fuels, how much more could we be producing now with the water we have held in dams?

We had already built an irrigation [fregato] factory, one of those that can irrigate up to 70 or 80 hectares. Irrigation would be increased at a rate of 150,000 hectares annually. We had great possibilities. We know the blow it meant having to stop what we were doing, things like the engineering systems in the rice fields, and the drainage of the sugarcane fields. We are again beginning to recover all these things, little by little, amid an increasingly harsher blockade. Many houses were built. In fact, nowadays it is very difficult to find a hut that has a dirt floor. The party and the province governments are seeking them out and trying to put an end to them. New ideas on how to built low-cost or low-maintenance homes emerge. A number of this type of activities, even during the special period, allow us to talk about tens of thousands of homes in the countryside.

The revolution has done many things. We have mainly talked about the ones primarily associated to rural areas. We have done new things in the midst of the special period, in which fuels are scarce and in which we again resorted to oxen. We had stopped using oxen, because everything was done with oxen before: work and transportation of sugarcane and product. The revolution organized tasks and created the sugar combines that did away with the sugarcane cutters. The only ones left are those who volunteer to cut the sugarcane where the combines cannot cut. The revolution has accomplished more things under these conditions. It would take longer to explain this, but I do not wish to take long.

Actually, it would be advisable to establish a more direct relationship between agricultural workers and production. This is how the basic cooperative production units [UBPC's] emerged; they deal with practical aspects similar to those of the agricultural production cooperatives. These cooperatives were created a few years before, in 1974, 1976. Perhaps they should have been promoted earlier, observed and advanced little by little. The agricultural production cooperatives were really a success. Logically we took advantage of the experience and some mistakes were made. The UBPC's taught a great deal to the revolution: to save personnel, to save resources, to work efficiently, and how to work productively. I recall it was said here today that in Ciego de Avila the production of one peso costs 52 cents. It would be excellent if we could obtain similar results at the UBPC's, with which the state put millions of hectares of land in the peasants' hands and made them responsible for production, thus reinforcing the principle of large-scale production. Everybody knows that sugar combines, the modern ones we are modernizing, the ones we are making more modern, cannot work in small and isolated plots of land to harvest sugarcane; they cannot work on large rice fields. Combines can produce more than 1,000 quintals in a day.

We have been assimilating all these experiences and we kept them very much in mind when the UBPC's were created. At the beginning, we promised the peasants that there would never be a forced collectivization. It was an experience very different from that of many other countries. The peasants' will and right to produce were respected as a sacred matter to make them inde-

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pendent and cooperative members. This is something very significant that cannot be ignored in a day like today [words indistinct] our agrarian reform laws [words indistinct] independent peasants, agricultural production cooperatives, UBPC's. [words indistinct] cooperatives, units supervised and operated by the Youth Labor Army [EJT] which, by the way, is doing an excellent job. There are several distinct units which, because of some very specific features and circumstances it is more convenient to have them continue working at the level of state communities.

New concepts, new ideas continue to emanate from numerous experiences accumulated by the CPA [Agricultural-Livestock Cooperatives] and the UBPC. Therefore, we now have five different ways and responsibilities. It has even been possible to obtain new crops which undoubtedly are the work of experience, something done by the family, such as the coffee crops from the mountains which some people, with due reason, had claimed had all but disappeared. We have been giving land to people in rural communities and even to some from the city.

In this respect, there are many city people who feel nostalgic for the rural area and the other way around. All sorts of favorable conditions have been granted, such as lots to produce coffee and to be self-sufficient in the coffee areas.

In the tobacco areas, we have also been distributing land intended to increase production. This project is proceeding well and we continue to accumulate numerous experiences. Years of experience are now starting to bear fruit, and we must continue this trend. Life is too rich in experiences and ideas. Nature gave us all brains to think with, and act, and this is how nowadays there is a variety of ways in which land is exploited.

But no one can say that there is exploitation of man by his fellow man here. Neither are there firms in the mountains that are owned by the United States or by landowners. [applause] Capitalism, as we have already said, is exactly that. Capitalism is not merely a bunch of wooden crosses at the foot of the Sierra Maestra, which i cite as an example, but they were all over the country. Capitalism tends to take everything away from the people. It excludes them from everything. It means taking away the land from the people and turning it over to landholders and to large foreign corporations. This land belongs to all of you, Cubans and to all independent workers. This land belongs to all the CPA members. In fact, this land belongs to the UBPC's because they have an exclusive and free use of the land. They are the owners of production, in addition to the major means of production.

In this respect, we all have to work with more common sense. As you have been able to witness, on many occasions machines have broken down [words indistinct] because the road is dry due to the lack of rain. On other occasions we have to transport them to other sectors. We must improve our resources and our options. You, sectors of agriculture, must remain united and use this unity in the work we must constantly carry out, most of all in the sugar harvest. Machines must sometimes be moved hundreds of kilometers. Sometimes we must send them from one province to the other, because it rained as expected in one province, while in the other there was too much rain. In some regions we can find teams from other provinces helping to meet harvest production. There are many issues that I would like to address today, but I do not wish to go on for too long.

I have mentioned a few topics such as the farmers markets, and even politics. I appealed to the patriotic spirit of farmers to work, to struggle to improve the purchasing power of each peso earned by each worker, each physician, or teacher. What would we do without their work? What would we do without factory workers? What would we do with the country's millions of workers and employees? Keep them in mind also. Be generous. They also struggle with you. This was the revolution of workers and farmers, which other workers decided to join. This revolution is the outcome of an alliance of workers and peasants. [applause] It must be protected forever as something sacred.

There are some institutions such as the UBPC's where the workers and peasants are practically the same thing, united as one. There is hardly any difference between them aside from their acronyms, which are UBPC and CPA. There is hardly any difference between the service provided to the state by independent farmers, and by these institutions. Therefore... [pauses] yes, the individual always seeks to accumulate wealth. However, he is also endowed with another marvelous attribute, which is instinctive and which is the spirit of solidarity. Without the spirit of solidarity there would have never been independence. [applause] But for the spirit of solidarity we would not have had the revolution or been capable of defending it. The fatherland would have perished. This spirit is more important than anything else. Keep this in mind when you gather to prepare for your daily work. Think about yourselves, your family, and also reflect on those who work for the country, and who in turn work for you and your relatives. We cannot forget these basic things. We must keep in mind that although we have achieved many things, there is still room for improvement. There is always room for improvement. Someone here... [pauses] someone here mentioned the middlemen. Unfortunately, as with every

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occupation we become involved in, despite every best intention to prevent it, these types of individuals always appear. They are not genuine middlemen. They are individuals who in one day seek to earn two and three times what a doctor earns.

Yet, they also have to consult a physician now and then, and receive all sorts of medical attention, for free. Our physicians look after these individuals and save their lives regardless of the cost. Their children also receive free high school and university education. Without any doubt, they are individuals who can only be described as vultures. These individuals should not shake our commitment to work. Those involved in this activity should stop for a moment and think, reflect carefully. [words indistinct] taxes to middlemen, not to farmers. Lugo already said that the country is in need of money. How is it going to pay for it? Currently, everything that is being done is for the people, even the defense of the country. They are some who earn more, but mostly through speculation, not through work. They are the ones Lugo referred to earlier and the same ones I am referring to now.

Production must increase. It has already increased, and it is still increasing — the peasants' production and the production of the other groups, independent peasants, peasant cooperatives, the UBPC, and the integrated farms. They increased their production between 1994 and 1995, and they increased their production between 1995 and 1996. I believe the production of tubers, produce, and vegetables increased from 24 million to 29 million; and there is hope that, under normal conditions, the figure of 33 million or 34 million tubers and vegetables will be surpassed this year.

Organic orchards have emerged in recent years. Vegetables are readily available in cities. People can purchase fresh vegetables. They have been well organized. They must continue to grow them, and there are many ways to increase production. The potato harvest has been a great success, and it should be increased in various provinces that have less land dedicated to potato production; and a variety of plantain that is resistant to black sigatoka — a strange disease that appeared one day in this country — is being studied. Who knows who brought it — we were free of this disease, as well as other diseases — because more than once, bacteriological or biological warfare has been used against us. We had to counter this problem with new varieties that are resistant, because there are tens of millions of plantain plants in this country — in Holguin, Las Tunas, everywhere. Were it not for this disease, they could yield three or four times the current amount with a bit of fertilizer, even in the dry season.

A great effort is being exerted to implement techniques, as was also mentioned here, and progress is being made. Let nothing stop this progress. More produce should be sent to the farmers' markets but not all of it. It is easier to produce cassava in our country than to raise an animal that must be fed corn, soybean, or imported wheat. There is an imported wheat that should be mainly used for bread. Large quantities were previously used as fodder for hogs, poultry, and cows, for the production of milk and eggs, without imagining that these resources would suddenly disappear. I call it a miracle, a veritable miracle, that the country has been able to resist. It was done with honor and dignity, it was done with firmness, and you are doing it with an increasing dignified spirit. You counter with increasing courage all the diabolical plans of those who want to destroy us simply because we have built a monument to justice. [applause]

If we work more efficiently and seriously here, we will overcome these difficult times even more quickly and we will again have what we had, and we will have more than what we had. The thing to ask is not when but if the independence, the Revolution, and socialism can progress more quickly; and if we can protect them. That is the important thing, because that is what will lead us to victory. If we lose this, nothing would be left, because the mere fact of being a Cuban would become a crime in the eyes of the imperialist world; and we must guarantee that this generation and future generations — your children, the younger people's children, grandchildren, and even great grandchildren in 20, 40, 50, 100 years — will be able to tell the imperialists: Here we are. [applause] Here is Cuba. [applause] Here is socialism and the Revolution, with its monument to justice. Here are those who struggled in 1962 or those who would be capable of fighting as in 1868, and those who struggled in 1995, struggled throughout the republic, those who struggled against bandits, those who struggled silently, or those who fulfilled noble internationalist missions — about which Lugo aptly reminded me today.

Here is the country's honor. It is indestructible. Here is its liberty, which is not negotiable. [applause] Here is its right to defend its destiny. Here is its right to be internationalist. What we are doing, now more than ever, is internationalism. We are struggling to save the homeland, the Revolution, and achievements of socialism. This is what socialism is all about. [applause] A comrade who spoke here on behalf of our foreign visitors asked us to do this, meaning to maintain Cuba's example, Cuba's will, and the Cuban Revolution, because the struggle not only helps us, it also helps them.

A large majority of the countries, the immense majority of the countries are living like we used to live during

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those days we talked about, and in many cases worse because they have worse problems. Rural men and women from so many countries with so much injustice and poverty would be very happy to have what we have today. What we have been able to preserve and what we will preserve... [pauses] no nation can be dominated regardless of how powerful the enemy may be and how much technology and inventions they may have. What has not been invented and will never be invented is the way to dominate a rebellious people, a people willing to fight and die for what it considers its most sacred principles. [applause]

We are that people today and we have to be better, we need to be better and more efficient.

We should become better as we have been doing this year thanks to the enormous work done by our city and country men, who helped to clean, grow, and plant sugarcane, enabling us to exceed last year's production by 1 million tonnes of sugar. [applause]

We have more tobacco than last year; We have more tubers and vegetables than last year. We have broken our potato production record with nearly 8 million quintals. [applause] When speaking of potatoes, I would like to especially congratulate this province for its excellent yield, for its great production, and for having fulfilled the idea, which seemed like a dream, of helping the people of Santiago produce and eat potatoes because they did not have potato-producing lands. [applause] They worked superbly well with the fraternal cooperation of the people from Ciego de Avila and they have achieved a harvest that will allow them to eat potatoes until at least next February. [applause]

See how many things can be done. The people of Santiago did not have lands, but they had hands. The lands in Ciego de Avila, added to the experience and hands of its people, were combined to get these results. During the labor congress, the people of eastern Cuba talked with pride and satisfaction of what they had attained in Ciego de Avila to fulfill their own needs. Other provinces that may wish to know how to plant potatoes, go to Ciego de Avila and ask the people of Ciego de Avila how to get great potato yields. [applause] You will see people here from Las Tunas, Holguin, and other provinces quickly learning what to do to a potato plant.

The spirit with which people worked in the cultivation of sugarcane is excellent, as I was saying. We will achieve a 30-percent increase in the production of sugar. We have done so in a record time. We have to continue to increase our sugar production as much as possible once again. Nearly 1 million people live off our sugar production. I am talking about farm workers and industrialists who work in this field. We are pleased to see how they have been working with a spirit of sacrifice. The workers of this province have worked hard to complete this sugarcane harvest, which was interrupted by the rains in various provinces. They have all mobilized to plant.

We cannot rest. Today, our rest must be our work. Our rest must be survival. Our rest must be victory. Our rest, most of all, must be to honor those who fought so long for this marvelous country we have today. [applause]

Our rest is with all fallen patriots and revolutionaries, all fallen peasants, all fallen workers at the Jesus Menendez in the struggle for workers. [applause]

We are capable of carrying out this effort with honor and pride for the fatherland's survival, independence, and for the understanding of the way with which we say with great honor and dignity: Socialism or death! Fatherland or death! We will prevail! [applause]

Cuba: Castro Expresses Satisfaction With Sugar Harvest

PA2505140096 Havana PRENSA LATINA in Spanish 0032 GMT 23 May 96

[FBIS Translated Text] Havana, 23 May (PL) — Cuban President Fidel Castro today expressed his satisfaction with the development of this year's sugarcane production. Sugarcane, the main product in the local economy, has slowed down over the past few years because of the country's economic crisis.

A production of 4.4 million tonnes of sugar might be achieved by next Monday. This figure would bring us closer to our goal of 4.5 million tonnes, the Cuban president told reporters who were covering the departure of Russian Foreign Minister Yevgeniy Primakov, who arrived in Cuba on 21 May.

With a record production of 8.5 million metric tons in 1970 and only 3.3 million in the 1994-95 harvest, the sugar industry has been severely affected by the lack of raw materials, equipment, and credits that resulted from the collapse of the Soviet Union and the rest of the socialist bloc, which used to be Cuba's main commercial partners.

Nevertheless, Cuban authorities have obtained hard and short- term loans over the past year. According to the Cuban president, however, the sugarcane harvest is doing well because, among other things, "adequate strategies have been formulated" and sugar industry workers are putting forth great effort.

In order to achieve an economic victory, he added, "we would need to grind sugarcane in June because there

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have been delays in the months of February and March. However, there is enough sugarcane to grind."

We have repaired hundreds of kilometers of roads "in order to cut (sugarcane) — even by hand if necessary." The Cuban leader stated that a growth of more than 30 percent will be achieved this year in comparison to last year.

"The sugarcane harvest has been successful. This has been an accomplishment of which we are proud," Castro asserted, adding that the goal for the 1996-97 harvest will be to exceed 5 million tonnes. "And we expect to reach this goal," he concluded.

Cuba: Tourism Minister Says Foreign Investment Increasing

PA2505035696 Havana PRENSA LATINA in Spanish 0311 GMT 24 May 96

[FBIS Translated Excerpt] Havana, 23 May (PL) — Cuban Tourism Minister Osmany Cienfuegos said in Havana today that investments in Cuba, far from shrinking, have gone up despite the recent signing by U.S. President William Clinton of the Helms-Burton law.

Cienfuegos noted, however, "it is logical to expect a shrinkage will take place until it is established how the United States will intend to enforce that law," which seeks to internationalize the economic blockade Washington imposed on Havana over three decades ago.

"We have no fear or concern over that," Cienfuegos noted during a news conference in the Havana Convention Center on the occasion of the 17th tourism convention called Cuba 96, which has been taking place here since last Tuesday. [passage omitted]

Later on, the tourism minister flatly denied the possible opening of gambling casinos in Cuba and reiterated that measures are being adopted to completely eliminate the phenomenon of prostitution that has arisen in these past years. "We do not want a cent through those means," he said.

Broaching the topic of privately owned restaurants and cafeterias, Cienfuegos recalled that after the period in which they were outlawed the government decided to authorize them under certain conditions and to tax them.

Without mentioning a date, he felt that the Cuban authorities will do likewise with regard to privately owned lodgings or the leasing of private rooms. [passage omitted]

Cuba: Sancti Spiritus First Secretary Views Priorities

PA2505030996 Havana Radio Rebelde Network in Spanish 1155 GMT 21 May 96

[Interview with Pedro Saez, Communist Party of Cuba first secretary in Sancti Spiritus, by Carlos Rafael Jimenez; date and place not given; from the "Doing Radio" program — live or recorded]

[FBIS Translated Text] [Jimenez] I am talking to Comrade Pedro Saez, first secretary of the party in Sancti Spiritus. The sugarcane harvest, agriculture, construction, fishing, and food production are among our daily main concerns. What is the province's main economic goal?

[Saez] There are several important goals, such as the sugarcane harvest. We are trying to follow the commander in chief's guidelines, to have a quick and efficient harvest. Food production — pork, tubers, vegetables, etc. — is also very important; however, rice production is a priority.

Rice production is recovering. We must reach 50,000 tonnes in 1996, 70,000 tonnes in 1997, and thereafter we will be achieving historic records. But we must not be satisfied, because sometimes record harvests are not indicative of a province's true potential.

Tobacco production is also important. We doubled the production, which went from 47,000 quintales to 100,000 quintales of tobacco last year. So far, we have 130,000 quintales of tobacco, indicating significant growth. We can also reach record tobacco productions if we continue to work.

The cattle sector is another priority. We were very much criticized by our comrade, the Revolutionary Armed Forces [FAR] minister, due to problems in this sector. His comments on the existing situation in the cattle sector nationwide had a direct effect on us. We have a cattle recovery program, and today we can say that we are achieving its goals. There has been growth when compared to last year's results. However, despite good indicators such as a declining mortality rate, improved birth rate, etc., it is too premature to talk yet. We still have a long way to go before speaking about a true cattle sector recovery.

[Jimenez] You are a young man, so excuse me for this familiarity. We have had to tighten our belts for years, but what can you tell me about the lies and fabrications?

[Saez] We can say that the commander in chief and the FAR Ministry have asked everyone to tell the truth. I believe that this is important, because when one begins to lie or fabricate things, people are the first to notice;

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they begin to distrust, and double standards begin to play a role.

Everyone, and specially the revolution's leaders, must be honest all the time, no matter how bad the truth might be, to be respected. When I believe that something is not clear, I lose sleep. We still have problems.

Raul has said that this situation has taken root, and we have gone so far that sometimes we believe that we are telling the truth when we are not.

We have to look for values in the cadres, find honest people with potential. Then the people will follow their leaders. Role models are essential.

[Jimenez] I have been a reporter for almost 30 years and have attended almost all the 26 July celebrations in Cuba. Everyone works for these national celebrations. Are they a means or an end?

[Saez] They are a means. We have addressed them as a goal among others in our vast strategy. The end is still to be reached. We have made progress in several sectors; some even show good results. We have really worked, and I believe that the people have done what they can to win the honor to host the 26 July celebrations.

If we win, it becomes easier; we can summon the people and tell them about the new guidelines and jobs for 1997. If we are not successful, we still have to congratulate the province for the struggle.

I continue to be positive, and therefore, I believe that our people have at least done what they can to be able to host such a memorable ceremony.

[Jimenez] This has been our conversation with Comrade Pedro Saez, first secretary of the party in Sancti Spiritus.

Cuba: 'Straight Talk' Views Competition as 'Healthy'

PA2505030896 Havana Radio Rebelde Network in Spanish 1730 GMT 21 May 96

["Straight Talk" program with program host Osvaldo Rodriguez and guest Julio Garcia Luis from TRABAJADORES]

[FBIS Translated Excerpt] [Rodriguez] Good afternoon, dear friends. Today's subject is the one true emulation.

Julio, you are obviously going to speak about the emulation campaign launched by several provinces to earn the right to host the 26 July celebrations.

[Garcia] Yes. You may have noticed I referred to it as one emulation, because right now we can say there may be many true emulations in the country. We could list all of them, but this is the one true emulation, the one taking place in Cuba today to host the 26 July celebration. This is the one opportunity that shows with clarity and strength the efforts of the provinces to attain this honor.

[Rodriguez] Yes, every year there are certain signs that indicate the province most likely to get it. An entire political mood is created in that province, and in the end it is usually that province.

I can recall, however, that once in a while two different provinces have felt they were the ones. This year, it was a spontaneous process; there were practically no signs.

[Garcia] I believe that all this is the result of that process of discussion, which we all remember: Those provincial meetings held by the party under the leadership of Minister Raul that called on us all to restore the originality and strength of our processes and to eliminate formalism and convention. All this ties in directly with the push created by that movement.

[Rodriguez] This change in the mind set, to give it a name, is closely tied to a renovation of the functions of the party and also of the figures that lead the party in some of the provinces.

There is, for example, the case of Sancti Spiritus, which began the movement to issue a challenge to earn the right to host the celebrations, but it was seconded by Villa Clara, Holguin, Ciego de Avila, and I cannot remember if another province also joined the effort.

[Garcia] My impression is that everyone is playing their hand their own way, but everyone has, deep down, hoped for this right, even if it has not been expressed. I know of a province in which one does not see a single sign, nor has a single word been said, nor has the provincial radio issued any call to host the celebrations, and yet everyone in the province wonders if they could really be included among the hopefuls.

The methods are diverse, but deep down everyone knows that this process measures the excellence of the work conducted.

[Rodriguez] It is always said that the competition is very close, but in this case it is the right thing to say, because I believe that, in the sugarcane harvest as well as in agriculture and in the solutions to confront this moment of crisis, we have experienced an upswing since this process began.

[Garcia] You have said a word that is worth repeating. You said competition. Perhaps in the past, we had a certain dislike for that idea of competition; we thought it a bit capitalistic to have people compete for things.

However, now the idea of competition is being vindicated. The economy has to compete; the provinces have to compete; organizations must compete against each

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other. I believe it is very good that this idea is being vindicated. Within our social, political, and ideological context, the idea of competition is fair and healthy. [passage omitted]

Cuba: Roundup of Economic Developments Through 28 May

PA2805231096

[FBIS Report] The following is a compilation of reports on economic developments in Cuba monitored through 28 May.

The production of construction material in the Sancti Spiritus Province has increased substantially during the past three years. The workers in that province manufactured 214,000 tiles during the first four months of this year, increased the production of clay buckets and material to manufacture bathroom fixtures. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 23 May 96)

Spanish Sol Melia hotel chain executives asserted in Havana on Thursday, that their company will leave its business interests in the United States and expand its investments in Cuba if the Helms-Burton law forces them to do so. The Spanish businessmen reported that they have six tourism ventures operating on the island; three of them as sole proprietorships and the other three are joint ventures with the Cuban Government. They also have two new undertakings that will be inaugurated this year, including a tourism yacht that is to be called Melia Don Juan. The Sol Melia hotels in Cuba have a 78 percent average occupancy rate. (Havana Radio Rebelde Network in Spanish 1700 GMT 23 May 96)

The construction sector produced more than 600,000 tons of cement during the first four months of the year. The cement will be used by the construction sector's activities in the country and will also be exported. The construction material industry has 44 groups and 36 of them obtained profits in the same period. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 24 May 96)

According to a Havana, 24 May datelined item, Cubanacan, S.A. (Cuban Tourism and International Trade Corporation] and Financiera Medica, FINMED), an Italian firm, today established the first joint enterprise for Cuban health called Mediclub, intended to build a tourist complex. The facilities, which will be built in Santa Lucia, Camaguey Province, will have 200 rooms and will have beauty salon, including cosmetic and dental services, plus sea water and oxygen bath therapy. Cubanacan President Juan Jose Vega and FINMED's Antonella Ciscato signed the document in the Palace of Conventions in Havana, where the 17th Cuba 96 Tourist Convention is being held. Vega said that Mediclub is the third joint venture signed since the Helms-Burton law was enacted. (Havana PRENSA LATINA in Spanish 2301 GMT 24 May 96)

Agriculture production in Ciego de Avila for first four months of 1996 surpassed what was produced during the whole of 1994. The increases took place in sugarcane, small fruits, vegetables, citrus fruits, milk, and cattle. The tobacco production plan has also been surpassed. Cattle production cooperatives turned a profit in 97 percent of the cases. The cost per peso of production was 57 cents, the country's lowest. (Havana Radio Havana Cuba in Spanish 0000 GMT 25 May 96)

The precooked rice plant in Granma has begun operations after a long stoppage. The goal is to process more than 5,000 tons by March 1997. This plant belongs to the Fernando Chenique CAI (Industrial Automation Center) and has started up one of its two production lines. It will have the second one operating soon. (Havana Radio Rebelde Network in Spanish 1255 GMT 27 May 96)

The Finance Ministry's budget director announced that the current year's basic expenditures are guaranteed by 38 percent of the budgeted income. This year's budget earmarks 4.39 billion (currency not specified) to maintain services such as education, health, assistance, and social security. This year Cuba has to guarantee school attendance for more than 2 million students, including an additional 6,500 new students and teachers in September. Public health services will maintain 200 hospitals, 430 clinics, and 29,000 family doctors. (Havana Radio Rebelde Network in Spanish 1700 GMT 27 May 96)

Cuba: Roundup of Sugarcane Developments Through 26 May

PA2805205696

[FBIS Report] The following is a compilation of reports on sugarcane and sugar industry developments in Cuba monitored through 26 May.

The sugarcane harvest conclusion will be decided in Las Tunas and Holguin Provinces, which work arduously to fulfill their sugar production plans. Las Tunas must manufacture 90,000 tonnes of sugar to fulfill its goal. This represents over half of the sugar that the nation has yet to manufacture. The Antonio Guiteras, Jesus Menendez, and Argelia Libre complexes in northern Las Tunas share the biggest responsibility regarding this task. They have produced 193,522 tonnes of sugar, 50,000 tonnes more than 1995, but 75 million arrobas of sugarcane have yet to be cut. Most of the area's

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work force is gathered there, supported by 11 provinces with some 1,100 harvesters, including 140 combines. Manual cutting has increased and sugarcane combines extended their hours of operation. Also, the Colombia Sugar Mill has resumed operations in the south while grinding operations continue at the Majibacoa Sugar Mill. Las Tunas has surpassed the previous harvest by more than 87,000 tonnes, which represents a 30 percent growth. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 22 May 96)

Sugarcane cutting operations continue in Camaguey Province. Local party and ministry of sugar industry officials toured the fields and confirmed only minor areas are pending. Workers have been relocated due to rains, because sugarcane must be gathered and immediately sent to the mills for grinding to prevent a loss of quality. The province strives to achieve its goal — 460,000 tonnes of sugar. The officials confirmed that marabou week has spread everywhere and fields must be cleaned to prepare for the next harvest. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 22 May 96)

Heavy rainfall in Pinar del Rio Province has delayed operations at the 30 November and Jose Marti Sugar Mills, where 1.5 million arrobas of sugarcane has yet to be cut. Approximately 5,000 men were mobilized to go to San Cristobal, where they will cut and gather sugarcane for the Jose Marti Mill, the only one still active in the area. The province has yet to produce 1,700 tonnes to help complete 4.5 million tonnes foreseen at the national level for the current harvest. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 22 May 96)

Haiti

Haiti: Preval Denounces 'Plot' by 'Enemies of Democracy'

PA2905015796 Paris AFP in Spanish 2351 GMT 28 May 96

[FBIS Translated Text] Port-au-Prince, 28 May (AFP) — Following the murder of a police officer on Monday night, and this Tuesday's kidnapping of the grandson of an influential Haitian businessman, Haitian President Rene Preval today denounced the existence of a "plot" organized by enemies of democracy.

At least 20 people carrying illegal weapons were arrested as part of a major police operation and as a result of controls implemented this Tuesday by UN military and police forces throughout the streets of this capital city to locate the perpetrators of the previously mentioned criminal acts.

During a meeting with the press at Port-au-Prince's central police station, where he arrived to "coordinate" the investigation, Preval fired an accusation against "those sectors who do not want democracy to take root" in Haiti of being the masterminds behind the criminal acts.

On the other hand, this Tuesday, Haitian police distributed leaflets requesting "all police units to search for and bring" Prosper Avril, former president of the military government (1988-90), and Eddy Moise, a militant member of a radical organization, "to the nearest police station."

Nevertheless, the communique does not indicate if this search warrant is in any way related to the two criminal cases that have currently mobilized the Haitian and UN forces.

Preval pointed out that two UN helicopters — one of which was carrying a relative of Boris Potenski, the six-year-old child kidnapped this Tuesday by several armed men — were overflying the city in search of two cars, one of which was linked to the murder of a police officer and the other of which was used in the kidnapping of the child.

Eddy Moise, who, together with his brother Patrick, is believed to be the leader of the Militant Reunited Front, a radical organization linked to Libya, was recently released after having remained under arrest as part of an investigation into the 28 March 1995 murder of Mireille Durocher Bertin, an opponent of former President Jean Bertrand Aristide.

Moise was recently arrested by the police and charged with illegal weapons possession.

Prosper Avril, former commander of the Army and president of the Haitian military government between September 1988 and March 1990, had taken refuge this past November 1995 in the Colombian Embassy in Port-au-Prince while the police was raiding his home.

After leaving the Colombian Embassy in 1996, Avril recently denied allegations related to his having requested political asylum in Israel, as the media in Haiti had reported.

Asked about the fact that the United States regularly returns those individuals deemed as undesirable, because of their involvement in illegal activities, the Haitian president acknowledged that the problem of criminal gangs in the country "deserves special attention."

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Haiti: Divisions in Lavalas Movement Analyzed

96P20428A Port-au-Prince LIBETE in Creole 10-16 Apr 96 p 2

[By Jan Bouchwo Josef: "Lavalas: What Is Going On?"]

[FBIS Translated Excerpt] Since the presidential election in December 1995, the rumor mill has not stopped talking about the burning issue hidden within the Lavalas Political Platform concerning which candidate would represent the movement on 17 December. The "twin relationship" that existed between President Aristide and Rene Preval led most people to understand that the answer to that question was no secret. But some people believed Gerard Pierre Charles could have been a candidate also, because in Haiti the heads of the political parties have always been presidential candidates.

Three Years or Five Years

The election proceeded: On the one hand, the Lavalas Political Platform (the Lavalas Political Organization [OPL], the Open the Gate Party [PLB], the Movement To Organize the Country [MOP]) campaigned for Preval. On the other hand, some Aristide partisans (including a minister, a member of the President's cabinet) were working behind the scenes to have the President remain for three more years. For many of the President's fans, those three years would have been in exchange for the 30 September coup. Let us recall that on several occasions, Aristide always swore (even to the international community) that he would step down on 7 February 1996. Soon people no longer understood the president, whose language regarding the three years or the election was not clear. Another curious thing was when the chief of state said that he supported every presidential candidate. Why then did President Aristide wait until the last day of the campaign to announce in Jacmel that he would vote for Number 14? Nevertheless, in the legislative and mayoral elections he never missed an opportunity to ask the electorate to vote for the Table.

A few days before 17 December 1995, Jean Bertrand Aristide organized a "National Dialogue" in the Ritz Cunam Hotel in Petionville. All sectors of the country were invited to come to an agreement on the country's affairs. During the conference, the popular organizations announced they would not negotiate the three years. Despite all these goings-on, President Aristide, who was at the ceremony, did not take a clear position. It was as if he wanted to be on both sides. His behavior gave Uncle Sam a big scare.

Rumors of Division

On 17 December 1995 there was no doubt that Preval was president. Port-au- Prince Mayor Manno Charlemagne, who does not mince words, said: "Ti Rene should kick out of the palace all the big eaters who were stealing under Titid." Was that a sign of division? Preval took office on 7 February 1996. It took him three weeks to choose a prime minister. Meanwhile, he had been president since 17 December. There appeared to be a problem in choosing a head of government. According to rumors, Lavalas legislators did not want to ratify any prime minister who was not a member of OPL, which held the majority in the National Assembly. At the time it was said that Aristide's biggest supporters did not want Gerard Pierre Charles. Was the problem getting worse? We do not know, but there is a saying: "Where there's smoke, there's fire."

Voices of the Street, Voices of Truth?

Before he left office, Aristide announced that he was going to establish the Aristide Foundation for Democracy. Ever since then, many rumors of division have been heard in the Lavalas family. It was said that Aristide was going to form a political party, "the Legitimate Children of Lavalas." On Sunday, 31 March 1996, The Aristide Foundation for Democracy organized a three-day seminar to ask Rene Preval to hold off on privatization. Is the voice of the Foundation the voice of Aristide? Who cannot answer that question? Yvon Rosemond, who headed the National Dialogue on the three more years, set up a political party: the Legitimate Children of the Table (RPLT). Those two big events brought to light the division in the Lavalas family. In a document explaining the party's policies, party leaders said they support 16 December 1990, 7 February 1991, 15 October 1994. These three dates mark the power of former President Aristide only. Why not 17 December 1995 and 7 February 1996, two important dates for President Preval? What relationship does RPLT have with Aristide? Even before RPLT was founded, it was rumored that it was former President Aristide's party. As a political doctrine, the RPLT leaders chose: "Everything for all of you." According to them, that was the idea former President Aristide always defended ever since he worked as a militant priest in Saint Jean Bosco church. RPLT leaders promised they would fight for: dignity, literacy, jobs, agrarian reform, bringing down the high cost of living, strengthening the gourde, good public administration, justice, peace, decentralization, security, participation, etc. They also announced that they would not oppose other political parties in the Lavalas platform, but they were against an empty table, which has four people sitting around it. Do they see an empty ta-

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ble today? Isn't it the same team of carpenters who made the table empty? Why legitimate children? It is because there are illegitimate children too. Which ones are legitimate? People are asking: Is there a barrel of gun powder under the table ready to explode? That's a tough question! [passage omitted]

Haiti: Bishop Romelus Issues Caution on Privatization

96P20428B Port-au-Prince LIBETE in Creole 17-23 Apr 96 p 3

[FBIS Summary] The bishop of Jeremie, Monseigneur Willy Romelus, told the HAITIAN PRESS AGENCY that the country's leaders appear obliged to privatize some public enterprises because of the disorder in the state bureaucracy. However, he warns that authorities should proceed cautiously so as to avoid engendering more misery. Bishop Romelus also called for reform of the public sector in order to correct the "laissez faire" practices of the past. He suggested that leaders hire "serious employees" to head public enterprises and produce bigger profits.

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Mexico: President Removes Chief of Public Security

PA2905021296 Mexico City NOTIMEX in Spanish 0114 GMT 29 May 96

[FBIS Translated Text] Mexico City, 28 May (NOTIMEX) — Mexican President Ernesto Zedillo today requested the resignation of Public Security Secretary David Garay Maldonado, because of Thursday's violent incidents. In a communique, the presidency states that the removal of the head of security was due to the clashes between police and teachers who were demonstrating to demand salary increases in this capital's downtown area.

Presidential Spokesman Carlos Almada said that after Garay Maldonado met with the president, the latter considered the explanations unsatisfactory, therefore he requested Garay Maldonado's immediate resignation. According to the communique, First Superintendent Rafael Avils Avils was appointed acting secretary of public security.

Mexico: Zedillo on Migrant Rights, Anti-Crime Measures

PA2705034896 Mexico City REFORMA in Spanish 24 May 96

[Report by Miguel Perez — received via Internet]

[FBIS Translated Text] Tapachula — Mexico and Guatemala intend to counter the unfair and criminal traffic of human beings through their borders, President Ernesto Zedillo asserted here yesterday, when he inaugurated the Mexico-Guatemala Binational Meeting, which gathered mayors from the border zone.

He explained that the two countries have sponsored a consular protection mechanism for this. The mechanism was installed a few days ago, and efficient formulas are being sought to fight against criminals who avail themselves of the migrants' vulnerability.

Zedillo said: "Together we intend to protect the human rights and dignity of migrants who cross our border, with full respect for each country's laws and a renewed determination to fight the unfair and criminal traffic of human beings."

The president explained that one of the instruments is the Migrant Protection Program, which was jointly launched by the National Human Rights Commission and the Foreign Secretariat of Mexico.

Zedillo explained that the program basically consists of a large- scale publicity campaign with material that is distributed both in Mexico and abroad, in areas with the heaviest presence and traffic of migrants.

"Guatemala and Mexico jointly seek to counter the traffic of drugs that threatens society's stability, safety, health, and welfare," he indicated.

The meeting was attended by Mariano Hayo, secretary general of Guatemalan Economic Planning, and Rodolfo Mendoza, Guatemalan minister of government, with whom the president discussed that country's peace process.

Mexico: Zedillo Reaffirms Resolve on Talks With EZLN

PA2805210796 Mexico City LA JORNADA in Spanish 24 May 96

[Report by Roberto Garduno Espinosa — received via Internet]

[FBIS Translated Text] Comitan, Chiapas, 23 May — By visiting today one of the municipalities that has been involved in the Chiapas conflict for the last two years, President Zedillo reaffirmed to the EZLN [Zapatist National Liberation Army] the administration's resolve to continue negotiations and assured that "there are no devious messages or hidden intentions" in the administration's call to continue negotiations.

Zedillo said: "No one should haggle over his contribution to peace. Harmony and dignity should belong to everyone and should be for everyone. No one benefits from violence."

During his second visit to that municipality, Zedillo not only spoke about the armed conflict but also referred to the religious differences between evangelists and catholic traditionalists in San Juan Chamula.

In the Mayan court esplanade in the Tenam-Puente archaeological zone, President Zedillo asked Salvador Gomez Hernandez, representative of the municipal president of San Juan Chamula, to find a quick solution to the religious problem:

—Mr. President, I bring you an invitation to visit San Juan Chamula.

— I will go to Chamula the day the two religious groups shake hands, something which I hope will be soon.

— We have tried, but the other people (evangelists) do not want to.

— I want a real solution. I want that problem to end soon. Religion cannot be a basis for division. That should be made clear.

— Yes, Mr. President.

— I will be there soon, the day you shake hands.

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The president's visit began early in Comitan, a Chiapas border region, which a few hours earlier had been *combed* and secured by the Mexican Army. After the landing of the Mexican Air Force's TP- 02 airplane, the official convoy set off and disappeared behind a hill bordering Comitan valley, where hundreds of Tzotziles, Zoques, Tzeltales, Tojolabanes, Mames, and Choles waited for him. They were men and women with harsh, sweaty faces.

One hundred and 10 km from Guadalupe Tepeyac, the president sent a message to the EZLN in which he assured them of the administration's "unwavering resolve" to further a consolidation of the negotiations "in keeping with the Law on Dialogue, Conciliation, and an Honorable Peace to pave the way toward rapprochement and conciliation."

"The law has paved the way toward a constructive negotiation. The law responds to the legitimate concerns about the unjust conditions of the Indian communities in Chiapas and also responds to demands to seek a solution within the framework of the law and peace, striving to attend to the real causes of the communities' backwardness and dissatisfaction."

Minutes later, in Tuxtla Gutierrez, President Zedillo reiterated his call for a dialogue: "The solution lies in strengthening, respecting, and maintaining a dialogue above all personal interests, maintaining a productive dialogue not as a second recourse but, rather, as the only way to reduce the distances between us."

President Zedillo's words in Comitan were aimed at the EZLN, in a region where the Indians, it would seem, would be silent witnesses to another visit by a president. Indians arrived in Comitan with their feet *sweltering* in rubber boots. Other Indians, fewer in number, were dressed in typical, regional costumes. It gave the impression they were receiving the president's greetings from a distance.

When the ceremony for sustained growth in Chiapas ended, the president, in an uncustomary fashion, approached the front row of seats where dozens of Indians, farmers, cattlemen, and politicians were waiting. It became an interminable session of open air audiences under the hot sun.

The turn of Altamirano's mayor came up:

— I came to tell you, sir, that we are running out of funds.

— For what are the funds being used?

— They are being used for public works, sir.

While the president shook the hands of the Indians, he was confronted with their needs, demands years and decades old that had been answered with words and remained as empty phrases.

"We ask that Pemex [Mexican Petroleum] repair our roads." "Sir, we need roads." "There are 18 communities in our town that are dissatisfied." The president would respond to the flood of questions and requests. He would sign copies of original documents he has received. He kept repeating: "We must negotiate, must find harmony."

Elderly Tzotziles came from Zinacantan to ask the president to finish paving the road linking their town to San Cristobal de las Casas. A group of Indians from San Andres Larrainzar made a similar request. Zedillo answered them. First, he told Governor Julio Cesar Ruiz Ferro: "I want you to help them." After greater insistence, he called Social Development Secretary Carlos Rojas: "Rojas, come here. I want you and the governor to see to the San Andres request."

Two Tzeltales from Oxchuc approached Zedillo: "In the name of our town, which is very angry, we ask that the construction of the town hall be completed." Zedillo reacted: "Are the people angry or is the municipal president angry?"

A man from the jungle region handed Zedillo an extensive dossier. "We need a road to shorten the route to the Guadalupe Tepeyac hospital. We have to travel more than 30 km to reach the hospital. If a road were built, we would have to travel less than 12 km. Here are the *preliminary sketches.*"

President Zedillo opened the dossier, read attentively, and answered: "The hospital is not being used to full advantage, am I right? That is because the people are not getting there, and it is a big investment."

Jorge Constantino Kanter, an upper class cattlemen's leader, resident of San Cristobal de las Casas, drew much attention. Wearing cowboy boots and a trimmed belt, he approached the president: "We are asking for a solution to our problems. We feel that the signing of the basic agreement is being delayed."

Before withdrawing, a Zincanateco pulled out a Mexican shirt and asked the president to put it on.

It did not fit him. "Now you know my secret. I have a big head. The hats I receive as gifts do not fit me," Zedillo said in jest.

Later, President Zedillo went to Tuxtla Gutierrez, the capital of the state of Chiapas, where he inaugurated the 20th Assembly of the Radio and Television Industry Workers Union (STIRT). Afterward, he boarded his airplane and flew to Tapachula.

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In the southern border region, Zedillo announced that in 1996 the towns of Chiapas State would have 960 million pesos available to finance actions to advance in the fight against poverty. Before returning to Mexico City, Zedillo inaugurated a Bilateral Meeting of Mexican-Guatemalan Municipal Officials.

Mexico: Bancomext, Egyptian Bank Sign Cooperation Accord

PA2805201396 Mexico City NOTIMEX in Spanish 2252 GMT 27 May 96

[FBIS Translated Text] Mexico City, 27 May (NOTIMEX) — The National Foreign Trade of Mexico (Bancomext) and the Export Development Bank of Egypt (EDBE) today signed a cooperation agreement intended to encourage the growth of commercial relations and technical assistance. Bancomext announced in a communique that the objective of the agreement is to actively support small and medium size firms, both Egyptian and Mexican, with the promotion and financing from the two financial institutions.

In addition, the agreement also includes providing counsel and training on bilateral trade flows, and the organization of trade fairs, seminars, congresses, and conferences. It also proposes the organization of business meetings and visits by Mexican business delegations to Egypt and vice versa, as well as the exchange of information on exports and services between Mexico and Egypt.

Bancomext highlights that as result of the agreement, special attention will be provided to the promotion of nontraditional goods and services exchange that will contribute to diversify markets and products. The communique states that "the intention is to establish a permanent and systematic exchange of technical, economic, and commercial information in order to uncover opportunities offered by each respective market, according to each country's national and sector programs."

In addition, the communique continues, there is an intention to promote activities that will allow the development of technological transfer projects by means of joint investments and the export of assembly plant industry.

Taking part in the agreement signing ceremony were Bancomext Director Enrique Vilatela Riba, Egyptian Ambassador in Mexico Nohamed Abdel Monem, and Abdallah Mohamed Hussein, first secretary for commercial affairs, [names and titles as received] among others.

Mexico: Accord on Nuclear Safety Signed With Cuba

PA2705202996 Havana PRENSA LATINA in Spanish 0634 GMT 27 May 96

["Pool" item]

[FBIS Translated Text] Mexico City, 27 May (NOTIMEX-POOL) — The Mexican Energy Secretariat (SE) and Cuba's Ministry of Science, Technology, and Environment have signed a cooperation agreement on nuclear safety and x-ray protection. In a communique, the SE explained that the agreement is aimed at expanding the cooperation between the two countries on nuclear matters. Jesus Reyes Heroles and Rosa Elena Simeon Negrin, heads of the two government offices, signed the document.

The agreement intends to formalize the relations between the Nuclear Safety and Safeguard Commission (an organization that was under the SE) and Cuba's National Center for Nuclear Safety. The communique explained that, due to a recent reorganization, the organization absorbed the regulatory duties that had been given to the Center for Radiological Protection and Health (CPHR).

Another objective of the agreement is to exchange views in areas such as safety at nuclear installations and their radiological protection, as well as scientific-technical and regulatory information on nuclear safety.

Mexico: Privatization of Petrochemical Plants Continues

PA2705153096 Mexico City XEW Television Network in Spanish 0300 GMT 23 May 96

[From the "24 Hours" newscast]

[FBIS Translated Text] The Energy Secretariat today issued a communique to define and clarify some points concerning the secondary petrochemical industries.

The communique states that no official from the Energy Secretariat has announced that the Federal Government has decided to stop the privatization of shares in secondary petrochemical plants. That decision has not been made, the Energy Secretariat said, adding that the president of the Republic has no plans to stop the privatization process.

The document added that work continues as part of the privatization process of the Cozoleacaque Complex and that once completed, the interested parties will be informed.

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Mexico: Firms Oppose Expansion of Helms-Burton Law

PA2705142496 Mexico City NOTIMEX in Spanish 1655 GMT 26 May 96

[FBIS Translated Text] Mexico City, 26 May (NOTIMEX) — Approximately 200 Mexican firms, including a group of 26 large consortiums that operate in Cuba, could be affected by the Helms- Burton law, which intensifies the embargo against that Caribbean nation. According to newspaper reports, among the firms that could be affected are Mexican Cement Company (Cemex), Associated Civil Engineers (ICA), Mexican Petroleum (Pemex), Mexican Economic Development (Femsa), and the Cuauhtemoc and Moctezuma breweries.

Also in the group are the Industrial Law Office, Vitro, Domecq, Domos Group, Franco Industries (Infra), Mexicana de Aviacion, Protexa [expansion unknown], Dantas Industrial Group, AcroCaribe [expansion unknown], Del Valle, and United Long Distance Telephone Industries, among others. It should be pointed out that many of the companies listed are among the largest in the world, such as Cemex (the fourth largest cement company), and others are the largest in Latin America.

Local newspaper LA JORNADA reported that the Mexican authorities are considering an "antidote law," on which the Senate, Foreign Relations Secretariat, and Trade Secretariat are currently working.

Economic activities by Mexican firms in Cuba formally began in 1992 with the establishment of the International Textile Corporation. Of the 200 firms that have economic and trade ties with Cuba, 100 are based in Monterrey and the remainder are based in Guadalajara, Mexico City, and Chihuahua, according to Mauricio Fernandez Garza, the first Mexican businessman to do business in Cuba.

Meanwhile, the country's private sector has spoken out against expanding the law and has asked the authorities to file a complaint against the U.S. Government's plans to implement the law, which violates international law. Hector Larios Santillan, president of the Business Coordinating Council, Mexico's top business hierarchy, commented a few days ago that in no case whatsoever is there any justification for the United States to affect third countries. He said that the problem between Cuba and the United States should be settled exclusively between those two countries without affecting third countries such as Canada, Britain, and Mexico.

Mexico: Government Grants Satellite Television Concession

PA2705175896 Mexico City XEW Television Network in Spanish 0300 GMT 25 May 96

[From the "24 Hours" newscast]

[FBIS Translated Text] The Federal Government on 24 May granted a concession to Corporacion de Radio y Television del Norte de Mexico to install, operate, and exploit a public telecommunications network that will offer a restricted satellite television service. The Secretariat of Communications and Transportation granted this concession in keeping with Articles 11 and 25 of the Federal Telecommunications Law.

The goal is to transmit scrambled television signals via satellite. Users, who will pay a fee periodically, will receive these signals in their homes through equipment installed in their television sets. This service will be available nationwide in the most populated cities during the first year. At least five transponders, belonging to Telecommunications of Mexico with a minimum of eight channels each, will be used.

The capital stock of Corporacion de Radio y Television del Norte de Mexico is owned by several persons who are either leaders or stockholders of companies that hold broadcasting licenses of the Televisa Group.

This is the third concession granted in Mexico to offer restricted satellite television service. This is in keeping with the goals of the Federal Telecommunications Law, which in establishing the rules for the development of a market that is permanently open to competition, will allow the offering of telecommunications services with better prices, more diversity, and higher quality for the users' benefit.

Mexico: Roundup of Economic Developments Through 28 May

PA2805191496

[FBIS Report] The following is a compilation of reports on economic developments in Mexico monitored through 28 May.

Eduardo Fernandez, president of the National Banking and Securities Commission, CNBV, reported on 16 May that Mexican taxpayers will have to contribute 135.6 billion pesos to finance the Program of Additional Benefits for Mortgage Holders. The government will pay off this debt in the next 30 years. This program calls for a monthly mortgage payment reduction of 30 percent. It will cost the government 27 billion pesos and the banking sector 15 billion pesos. (Mexico City

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LA JORNADA in Spanish 17 May 96 — received via Internet)

President Ernesto Zedillo revealed in Yucatan State today that the GDP during the first three months of 1996 dropped by 1.0 percent compared to the same period in 1995, but it grew by 2.2 percent during the first three months of 1996 compared to the last three months of 1995. The country has registered three consecutive trimesters with GDP growth. Inflation was 8.0 percent in April 1995 and was 2.8 percent in April 1996. Accumulated inflation during the first four months of 1995 was 23.7 percent compared to 11.4 percent during the same period this year. (Mexico City XEW Television Network in Spanish 0300 GMT 18 May 96)

In the first three months of 1996 the Federal Government spent $80.7 billion pesos compared to $78.7 billion during the same period in 1995. Revenues totaled $81.6 billion in the same period in 1996 compared to $85.6 billion in 1995. (Mexico City REFORMA in Spanish 20 May 96 — received via Internet)

Social Development Secretary Carlos Rojas Gutierrez has disbursed more than 75 million pesos to the 111 municipalities of Chiapas State. The funds come from the Municipal Social Development Fund. (Mexico City LA JORNADA in Spanish 20 May 96 p 16)

The Refining Division of Mexican Petroleum, Pemex, and the Mexican Cement Company, Cemex, have signed an agreement Pemex will supply 10,000 barrels of environmentally friendly heavy fuel oil to be used in seven Pemex plants. This is valued at more than 440 million pesos per year. This agreement turned Cemex into Pemex's second largest client after the Federal Electricity Commission. (Mexico City EL FINANCIERO in Spanish 20 May 96 p 26)

Luis Rebollar, president of the National Association of Mexican Importers and Exporters, ANIERM, has pointed out the weak positive balance of the trade balance for the first three months of 1996 is becoming a matter of concern. He noted that the peso must close the year at 8.6 to the dollar or a crisis to that of 1994 will take place. According to the Bank of Mexico, consumer good imports dropped by 28 percent during the first three months of 1995 while they dropped by only 0.93 percent during the same period this year. Rebollar underscored that what is worrisome is that capital goods imports dropped from 22 percent during that period in 1995 to 1.32 percent in 1996. (Mexico City EL FINANCIERO in Spanish 20 May 96 p 9A)

The Secretariat of Finance and Public Credit, SHCP, has reported that parastate companies registered a financial surplus of 5.1 million pesos during the first three months of 1996. Four of the 11 parastate companies posted deficits. Pemex registered the largest surplus, 5.9 million pesos. (Mexico City EL FINANCIERO in Spanish 20 May 96 p 22A)

According to Mexico City's National Chamber of Commerce, Canaco, during the first quarter of 1996 the consumption of food and basic products dropped by 22 percent while purchases of medicines decreased by 25 percent and shoe and clothing sales went down by 26.8 and 24.3 percent respectively. Canaco added that in general sales dropped by 34 percent at 77 percent of the businesses in Mexico City during this period. (Mexico City LA JORNADA in Spanish 21 May 96 pp 56, 46)

The Savings Protection Banking Fund, Fobaproa, controls 9 percent of the national banking system's assets while it owns 14 percent of bank credits. Fobaproa has banking assets worth 86 billion pesos. At the end of the first quarter of 1996, the 14 privately owned banks reported a joint credit portfolio worth 649.559 billion pesos, a 16.15-percent increase in comparison to the same period in 1995, and registered a 2.483 billion pesos reduction of profits, approximately 30 percent in nominal terms. (Mexico City EL FINANCIERO in Spanish 21 May 96 p 4)

During the first quarter of 1996, the Mexican Government allocated 23.432 billion pesos to pay interest on its domestic and foreign public debt while it spent 9.825 billion pesos in direct and capital investments. During this period, the public sector's total revenues amounted to 122.5055 billion pesos, of which 46.5837 billion pesos, 38 percent, were from oil revenues. Meanwhile, tax revenues amounted to 43.750 billion pesos while other revenues amounted to 6.729 billion pesos, a reduction of 20.1 percent. In addition, total net expenditures amounted to 120.5 billion pesos. (Mexico City EL FINANCIERO in Spanish 21 May 96 p 7)

According to the Bank of Mexico, in April 1996 circulating money amounted to 166.400 billion pesos, a 37-percent increase over April 1995. (Mexico City EL FINANCIERO in Spanish 21 May 96 p 9)

According to the Japanese ambassador to Mexico, large Japanese companies will invest more than $50 million in Mexico this year to establish a Pioneer factory and to enlarge the Nippon Densen factory. (Mexico City EL FINANCIERO in Spanish 21 May 96 p 15)

On 20 May the National Finance Bank, Nafin, signed a cooperation agreement with the national associations of credit unions to strengthen the financial system for mini- and small enterprises in Mexico. Nafin will finance with long-term resources the banking credits that have been granted to credit unions and it will provide direct credits

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to viable credit unions. (Mexico City EL FINANCIERO in Spanish 21 May 96 p 16)

Between November 1995 and the first two weeks in May 1996, prices for the family basket increased by 18.8 percent, which overrides the government's official estimated inflation rate of 20.5-percent for the end of this year. (Mexico City EL FINANCIERO in Spanish 21 May 96 p 20)

The Mexican automobile industry increased production by 30.2 percent up to 400,921 units during the first four months in 1996. Wholesale sales rose by 39.5 percent while domestic sales went up 39.3 percent. According to the Mexican Association of the Automobile Industry, AMIA, automobile production for the domestic market went down 3.6 percent (less than 2,797 units). Meanwhile, export production amounted to 325.013 units, a 41.8-percent growth over the same period last year. AMIA reported that export sales amounted to 321,314 units, a 39.6-percent increase in comparison to the same period in 1995. (Mexico City EL FINANCIERO (ANALISIS supplement) in Spanish 21 May 96 p 2A)

According to the National Institute of Statistics, Geography, and Information Science, INEGI, in April 1996 unemployment affected 5.9 percent of the economically active population. During the first four months in 1996, open unemployment dropped from 6.4 percent in January to 5.9 percent in April. Acapulco, Merida, Tijuana, and Cancun registered an unemployment rate of approximately 2.5 percent, the country's lowest, while Mexico City, Saltillo, Monclova, and Durango registered an unemployment rate ranging between 7.8 and 8.8 percent, the country's highest. (Mexico City Radio Red Network in Spanish 2300 GMT 21 May 96)

The rates for Mexican Treasury Certificates have dropped for six weeks in a row. The leading rate (at a 28-day yield) was 26.15 on 21 May 1996. The Mexican Securities Exchange registered one of its best transaction levels this year on 21 May 1996 when total transactions amounted to 2.508 billion pesos. (Mexico City Radio Red Network in Spanish 2300 GMT 21 May 96)

On 21 May, Mexico's ICA Group issued a $150 million medium term notes under the 144-A Euromarket rule, with an interest rate of 11.875, and 5 year maturity which, according to the group, is part of a larger $500 million package. This is the second issue placed by this Mexican construction group in the international market after last year's financial crisis. Last week, Standard & Poor's decided to upgrade the syndicate's rating from negative to stable which, according to an ICA spokesperson, is evidence of the firms's sound and improving financial standing, as well as its leadership in Mexico's construction sector. (Mexico City EL FINANCIERO in Spanish 22 May 96 p 18)

The refinancing of the loan portfolio that took place between September 1995 and March 1996, as well as the sale of matured loans to the Fobaproa caused the Mexican banking system's overdue payment index to decline from 18.6 to 12.9, nearly six percentage points, in only three months. It has been estimated that last year alone, approximately 500,000 Mexicans refrained from repaying personal loans, which forced banks to recognize that the amount of unrecoverable loans during January and March totalled 2.8 billion pesos. Figures disclosed by the National Banking and Securities Commission (CNBV), and the financial institutions, point out that at the end of the first quarter of the year, the system's overdue loan index quarter stood at 34 percent, considering an overdue loan portfolio of 106 billion pesos. This level is four times greater than the 9.59 percent index recorded in March 1995. (Mexico City EL FINANCIERO in Spanish 28 May 96 p 4)

Only one-third of the 15 financial groups listed at the Mexican Securities Exchange (BMV) reported losses at the end of the first quarter of the year. Of these, two of the most important, Serfin and Bancomer, both disclosed losses amounting to more than 3 billion pesos. The negative balance reported by these two groups was offset by the 1.7774 billion pesos in earnings reported by the Inbursa financial group at the end of the same period. This group's earnings grew by 68.88 percent as opposed to earnings recorded during the first quarter of 1995. Nevertheless, this result was still insufficient to change the negative results reported by the 15 financial groups seeing that total final figures disclosed show losses amounting to 1.1662 billion pesos, following earnings of 1.7933 billion pesos during the first four months of 1995. (Mexico City EL FINANCIERO in Spanish 22 May 96 p 5)

With an initial investment of $1.5 million. Altos Hornos de Mexico (AHMSA) inaugurated its new subsidiary, Recuperacion y Reciclaje de Productos Industriales, SA de CV (Redinsa), which will specialize in marketing scrap iron, iron, copper, bronze, other metals, and other metals accumulated at various dump sites during more than 50 years of operation. AHMSA announced that the new firm will initially be providing employment to 145 workers, and during a 24 year period is expected to build three new iron and slag recovery factories. (Mexico City EL FINANCIERO in Spanish 22 May 96 p 18)

Tomas Gonzalez, president of the board of directors of Cydsa, announced that sales during the month of April had amounted to 1.850 billion pesos, a 36 percent increase from the 1.362 billion pesos reported dur-

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ing March. According to Gonzalez, Cydsa's sales had increased mostly due to the recovery recorded in Mexico's domestic market. (Mexico City EL FINANCIERO in Spanish 22 May 96 p 18)

According to a Ciudad del Carmen, 22 May datelined report, Pemex announced that it had marketed 33,023,755 barrels of crude oil during the month of April from its oil rigs located at the Campeche Sound. Pemex's Marine Region Corporate Information and Public Relations Management, pointed out in a communique that it had marketed 20,874,528 barrels of Maya oil from the port of Cayo Arcas in Campeche, mostly to the United States and Spain. In addition, 3,763,191 barrels of Istmo oil had been exported to Holland and the United States from the Dos Bocas terminal in Tabasco. (Mexico City NOTIMEX in Spanish 1739 GMT 22 May 96)

Banking sources disclosed that Holland's Ing Bank is preparing to extend a $360 million loan to the Serfin financial syndicate. According to the sources, the loan will be part of a $500 million package that will be provided by the holding group headed by Adrian Sada to a $1.3 billion capitalization program intended for Serfin Bank. The federal government has agreed to guarantee the operation, and Serfin's main shareholders also pledged to provide additional guarantees in the form of bearer notes. (Mexico City REFORMA in Spanish 22 May 96; received via Internet)

The Confederation of Industrial Chambers (Concamin) and the Business Coordinating Council (CCE), forecasted that due to the positive signs the economy has begun to show, it could well end the year with a 3.5 percent growth. Both associations agreed that the economy could end the year with a 26 percent inflation, and the exchange rate will most likely settle somewhere between 8 and 8.50 pesos per U.S. dollar. In addition, the Concamin and CCE anticipate that the economy will record a 5 percent annual industrial growth. (Mexico City XEW in Spanish 0300 GMT 22 May 96)

According to Armando Araujo Montano, the recently appointed president of the Confederation of National Chambers of Commerce (Concanaco), the financial situation of Mexico's private businesses is alarming. The overdue portfolios of the trade and services sectors represent 73 percent of the banking sector's entire portfolio. Araujo said that most of the firms that reorganized their debts in Investment Units (UDI's) now have overdue portfolios, due to which a financial rescue package is being prepared, especially for small and medium-sized companies, which cannot withstand the situation much longer. The trade sector's overdue portfolio amounts to 34 billion pesos and represents 26 percent of the banking sector's total debt. The services sector has the largest overdue portfolio at 47 percent of the nationwide total; industry's is 25 percent; the farming sector's is 11 percent; housing loans' is 8 percent; and consumer loans' is 8 percent. (Mexico City LA JORNADA in Spanish 23 May 96 p 41)

The Russian firm A. O. Severstal, the 16th largest steel company in the world and the sixth in Europe, will be established in Mexico this very month. Its first branch will be managed by Nikolai Zaitsev, a former trade attache at the Russian Embassy. Half of the firm's $3 billion in sales in 1995 were exports, of which $425 million were sold to Mexico, United States, and Canada. (Mexico City EL FINANCIERO in Spanish 23 May 96 p 16)

The farming sector ended 1995 with a debt of 55.515 billion, the equivalent of 57.36 percent of the sector's gross domestic product in 1995, and the apparent overdue portfolio of 13.326 billion pesos is equivalent to 58.44 percent of the total value of the country's grain production. According to the Center for Economic, Social, and Technological Research for World Agriculture Agroindustry (CIESTAAM), this debt shows that "even if they wanted to, the producers cannot pay," and that the reorganization programs initiated in 1991 are inefficient. The CIESTAAM proposes an in- depth solution: that the government, banks, and producers, pay part of the cost of overhauling the portfolio, thus reactivating the flow of fresh loans; it also suggests that they adjust the economic model. (Mexico City EL FINANCIERO in Spanish 23 May 96 p 6)

During the first four months of 1996 the Federal Electricity Commission (CFE) exported 7.596 million kilowatts per hour of electricity to Belize, which brought an income of more than $490,000. The CFE has announced that the exportation of electricity to Belize will increase in May, August, and October when the demand is greater. Meanwhile, Mexican Petroleum has confirmed that the price of crude on the international markets has decreased by $1.50 due to Iraq's return to the market. (Mexico City EL FINANCIERO in Spanish 23 May 96 p 15)

A document published by the Monterrey-based Domos Group states that thus far this year the company has begun operating 37,000 digital telephone lines in Cuba and has expanded 900 international circuits to the entire world. According to the Inter-American Telecommunications Corporations (Citel), the Guanabacoa and Panamericana digital plants are operating with 7,000 lines; 5,000 lines have been installed in Varadero, and 25,000 in Buenavista. (Mexico City EL FINANCIERO in Spanish 23 May 96 p 13)

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Javier Bonilla, president National Confederation of Owners of Rural Properties, [bureau records show Jose Bonilla listed to this post] reported that the drought, which is affecting eight states, has already caused 25 billion pesos in losses. Bonilla said that 1996 has been one of the worst drought years with losses 50 percent higher than previous years. Grain production dropped by 10,000 tons or about 19 billion pesos. About three to four million heads of cattle are estimated to have been lost. (Mexico City XEW Television Network in Spanish 0300 GMT 24 May 96)

Public investments in government securities reached $16.23 billion on 9 May according to the Ixe financial group. This represents a slight increase of 0.79 percent so far this year. Ixe reports that investments in government securities increased $251 million during the first week of May. (Mexico City NOTIMEX in Spanish 0652 GMT 27 May 96)

Sugar production reached a record-high 4.4 million tons during the 1995-1996 harvest cycle. This was reported by the Secretariat of Agriculture, Livestock, and Rural Development, adding that for the second consecutive year sugar producers reached satisfactory results with constant increases. (Mexico City NOTIMEX in Spanish 0805 GMT 27 May 96)

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El Salvador

El Salvador: President Holds News Conference

PA2405185896 San Salvador Radio Nacional de El Salvador Network in Spanish 1640 GMT 23 May 96

[News conference by President Armando Calderon Sol with local and foreign reporters and an unidentified moderator at the Government Palace in San Salvador; broadcast in progress — live]

[FBIS Translated Excerpt] [Calderon Sol] ...regarding the dismissal of unnecessary employees, I must say that those reports are also false. There are always people who start those rumors which respond to some sort of political interest in creating unrest among Salvadorans and among some public employees. I can assure you that those reports are absolutely false.

[Moderator] Maria Teresa Perez of CO LATINO.

[Perez] Good morning Mr. President. My question has to do with the emergency law. There were rumors a few days ago in the sense that as soon as the law is declared unconstitutional, the individuals arrested after its implementation will be released. There is concern that once the law is declared unconstitutional, there could be social chaos.

[Calderon Sol] I believe the law is not unconstitutional. I am sure that the honorable Supreme Court of Justice will rule accordingly, based on the law. It has been proven once again that the Salvadoran Government... [pauses] the majority of the deputies in the Assembly voted in favor of this emergency law, interpreting the hopes and expectations of the Salvadoran people. In fact, a survey conducted by the UCA [Central American University] confirmed this. You can see that. I believe the Salvadoran people want more effective actions against crime. The emergency law fulfills and meets the expectations and desires of the Salvadoran people. I hope the resolution of the Supreme Court of Justice will put an end to this sterile controversy promoted by some sectors that seem to support crime with their statements. I believe Salvadorans must be very clear on this issue. We will apply the law. As we have said before, criminals should be sent to jail. [passage omitted]

[Unidentified reporter] What about the price of basic grains?

[Calderon Sol] We have seen an increase in prices in the international market. As you know, there have been problems in the main production centers. The price of basic grains has increased. Now is a good time... [pauses] this is why the government has begun a campaign to help Salvadoran peasants and farmers. We must start planting, we must use our water resources, we must produce grains in El Salvador to guarantee food for the Salvadoran people. It is a big challenge for peasants and farmers. Prices are profitable, even for peasants, now that prices are higher. It is an opportunity for peasants and farmers. Therefore, the government is trying to promote planting activities now that we are in the phase of preparing the land and sowing. I believe conditions are right for a good production. There is plenty of rain to guarantee food for the Salvadoran people. We Salvadorans are capable of producing our own food. We must take advantage of this opportunity now that international prices have increased. We must face this problem, which may be unfavorable for some Salvadorans, but at the same time is fortunate for peasants and farmers.

[Moderator] Ilda Quijano, of ECO Televisa.

[Quijano] Good morning Mr. President. The left wants you to veto the decree concerning the mayors. They claim that if you sanction that law you will be ratifying a decree that favors impunity and facilitates corruption. What do you have to say about that?

[Calderon Sol] The left and the political sectors have to say something. They have no serious arguments, they have no program, vision, or valid position. They are free to express their views. The legal resources are there. I am waiting for the law; I will then sanction it and publish it. If they believe that it is unconstitutional, which is totally absurd, the Supreme Court of Justice is ready to receive their appeal. They should present it to the pertinent authorities. I believe this is a political situation. They have their own views. It is a political move. I am sorry, but we condemn impunity. We are convinced that we must judge anyone who violates the law, no matter who that person is. We will not be fooled by their dirty games or political intrigues. There are many political pigs. Those actions, which are not politically ethical, belong to the past. Those actions do not encourage the participation of honest people. This happens in all political parties, of all tendencies. There are good people, who want to participate, but intrigues and mediocre actions discourage the political participation of the best citizens in the municipalities. This is why this measure will also guarantee and consolidate the democratic participation in all sectors. There are valuable people in all sectors. I believe political and ideological differences should not prevent us from expressing our views. I believe they are not on the right track. We must support the democratic process. There are people who try to take advantage of situations like these. Those are pseudo-politicians. I believe, however, that there are valuable people in all political parties. As I said, all mayors, of all political

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views, have given and continue to give their civic contributions for the benefit of all citizens. As president, I believe this is what I must defend. My duty is to encourage the citizens to participate more each day.

[Moderator] Jose Luis Solorzano, of Teleprensa.

[Solorzano] Good morning, Mr. President. I have three questions. First of all, unfortunately, when you returned from Canada, you did not meet with the press. We have heard Central America will receive aid for 20 million colones [as heard]; from that amount, how much will our country receive, and how will those funds be used? That's the first question. The second question is about yesterday's situation in San Miguel as a result of a limited strike by a group of people protesting an alleged [word indistinct] persecution for which they presented some evidence. My last question is: Last week, after you referred to the study on the bill regulating the bidding process which seeks to prevent problems, the firm Cartotecnica called a news conference. This company, which participated in the bidding process for the phone book, has protested influence peddling in the process. They claim they can prove this. My question is: What is the problem? Is it a problem among the firms participating in the bidding process, or an internal problem in deciding which company is awarded the contract?

[Calderon Sol] Undoubtedly, there are economic interests at stake here. The losers will not be happy if the contract is given to someone else. This is a business deal, there are economic interests. What we try to do is to conduct the process as openly as possible. We give the bidders the basic requirements and service needs of government institutions. They must make their offers accordingly. Of course, there will always be a winner and a loser. Only one can win; not all. This causes some problems and, differences, as economic interests are affected. That is why there is a Supreme Court of Justice. Anyone who feels affected can resort to the Court. Meanwhile, the Court has suspended the transaction while it reviews the case and makes a fair decision. I believe the country's institutions are working. The executive branch has been very clear and honest in that regard: anyone who feels affected should take the case to the Court. I believe they have a right to file their complaints expeditiously and demand justice. The Court must decide. We should ensure prompt and timely justice, so that public actions are not affected. If the Court takes too long to make a decision, if trials are delayed, administrative actions are left pending, which in turn affects the public. We want expeditious, swift, and timely resolutions, as the Constitution requires. That's our position. The government will fully respect and comply with the Supreme Court's decisions. [passage omitted]

[Solorzano] How much will El Salvador receive out of the 20 million, and how will those funds be used?

[Calderon Sol] With our visit to Canada, Central American presidents have opened a vital space. In a few days a group of Canadian businessmen and investors will be visiting the region. We were offered financial assistance for $20 million [as heard], which could be channeled through the Central American Economic Integration Bank, BCIE, as the Central American banking and financial institution. Remember that we went to Canada with that vision and that position; not as separate countries, we went with a Central American proposal, we went to Canada with a position of a united Central America. I believe that is the historical importance of the Central American president's trip to Canada. We went as a bloc, as a region, as Central America, as a single nation. We presented that ideal concept of a unified Central America in Canada. We were well-received in Canada. We are trying to promote investments and to attract tourism in direct flights to Central America, to bring Canadian tourists to El Salvador and other parts of Central America. I believe this visit was fruitful, and that we will see results from now on with the doors we have opened between Central America and Canada.

[Moderator] Balmore Barrientos of TV-2.

[Barrientos] Good morning. I only have one question, Mr. President. The subject of money laundering is being frequently mentioned. Recently a UN report said that there is money laundering in practically all countries in the world. What is your opinion?

[Calderon Sol] Yes, this problem is affecting many countries every day, and El Salvador is no exception. We have discussed this problem not only at the Ibero-American summit, but at the meeting of Central American presidents with the Mexican president in Tuxtla-Gutierrez and in all international forums. Our objective is to ensure a package of laws and international agreements that will facilitate the execution of measures against this drug trafficking scourge that threatens the stability of all countries. In this respect, I can say that El Salvador is prepared to cooperate and supports every initiative on the issue presented before international forums.

We have also been very clear on the drug issue. El Salvador's position is not only against drug trafficking. We should not view this issue in such simplistic terms. Our position is against all types of drug-related activities which specifically involve production, marketing, trafficking, and money laundering. In other words, our position is against all aspects of drug trafficking. This is the position adopted by the government of El Salvador, of this speaker as president, and the people of

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El Salvador. It is also our nation's position before every international forum where this issue is being analyzed. Various treaties, agreements and legislations are currently being assessed and fine-tuned jointly with the United Nations intended toward implementing measures in an efficient manner at the international level.

[Moderator] Let us now continue with the last question by David Barraza from NBC.

[Barraza] Dr. Calderon, going over what you just said with respect to the achievements attained in Canada. There was one specific objective sought by all the presidents related to ensuring that Canada would agree to serve as speaker before the other NAFTA partners. Was this accomplished? Did Canada make any promises?

[Calderon Sol] Indeed, Canada expressed its support for some type of parity system with Central America which gives us confidence with respect to our position with the United States. In addition, Mexican President Ernesto Zedillo clearly expressed his country's point of view when he said that they also favored some type of opening with Central America. In a few days we have agreed to begin fine-tuning the details leading to a treaty that will include investments protection, promote reciprocal investments between the other Central America nations, El Salvador, and Canada, and include a parity system. Canada has agreed to undertake a serious and logical study on these issues, and it for this reason why I said that the doors have been opened. I believe that this represents a first step in the right direction. In a certain way it also means a sort of pressure on the United States to realize that Canada is opening and prepared to assist Central America. In addition, it represents pressure on U.S. foreign policy toward the region and for the United States to open up to the region under similar conditions as Canada is willing to do.

[Moderator] Mr. President, Elmer Gomez would like to know if you would accept one last question?

[Calderon Sol] Go right ahead.

[Gomez] I represent [word indistinct] de Noticias. I would like to know, or better yet, you could please explain the border situation between El Salvador and Honduras? Yesterday, Honduran Foreign Minister Delmer Urbizo Panting announced the reassumption of talks intended to solve the border dispute between both nations.

[Calderon Sol] Certainly. You are all aware that there have been delays in the talks related to a protocol to implement a border demarcation, and to ensure the safety of our compatriots in the areas under dispute and delimited in the ruling by the International Court. The Judicial Commission is currently at a standstill and we are looking forward to the Binational Commission... [pauses] We have already spoken to Honduran President Carlos Roberto Reina during the trip to Canada on the need to establish a special commission at the presidential level to break the deadlock. I believe we must expedite the talks and President Reina has expressed the same willingness. Hopefully we will shortly be able to overcome this temporary delay by the Judicial Commission. I believe that by establishing a special presidential commission we will be able to clear this issue which would benefit Central America and our two brother nations, Honduras and El Salvador.

[Gomez] [words indistinct]

[Calderon Sol] No. I believe this would prevent... [pauses] on the contrary, it would be a swift solution that would resolve the situation. It would also serve to send a clear message about Central American unity that will include a clear vision of Central America's position with respect to the world. [passage omitted]

Guatemala

Guatemala: Arzu, Canada's Axworthy Discuss Trade

PA2805223296 Guatemala City PRENSA LIBRE in Spanish 25 May 96 p 45

[FBIS Translated Text] Guatemalan President Alvaro Arzu and Canadian Foreign Minister Lloyd Axworthy met at the Presidency yesterday. They discussed Guatemalan-Canadian commercial exchanges, Guatemala's peace process, and Arzu's recent Canada visit.

Axworthy said: We discussed the president's visit to Canada days ago, possible new commercial exchanges, and the peace process, especially the agreement that was reached and the efforts the two parties have made. In this regard, Canada will support any negotiations.

The visitor also talked about Haiti, a country to which Canada deployed troops. He wants Guatemala to cooperate with this island.

The minister noted he will meet with his Central American counterparts in three months to follow up on a previous meeting. The date for this meeting will be established during an OAS meeting in June.

The official underscored several cooperation programs, among others, those related to community development, strengthening of civilian society, support for the UN Mission for Guatemala, as well as a future program to help the insurgents rejoin society.

The Canadian Foreign Minister added the polemic Helms-Burton law, which hardens the embargo against

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Cuba, was not discussed, because that was done before and a position toward it was already established.

Guatemala: Mexican Commerce Secretary Ends Official Visit

PA2605155896 Mexico City NOTIMEX in Spanish 0556 GMT 25 May 96

[FBIS Translated Text] Guatemala City, 25 May (NOTIMEX) — Herminio Blanco, the head of the Mexican Commerce and Industrial Development Secretariat [Secofi], highlighted here yesterday the agreements to increase commercial relations that were reached with the Central American countries.

The Mexican official, who ended a two-day work visit to Guatemala City on Friday, said to reporters that the agreements "establish the bases to eliminate commercial barriers in the near future."

Regarding Guatemala specifically, the commerce secretary made reference to the bilateral agreements signed with his colleague, Mauricio Wurmser, at a meeting held during the weekend.

He said that following the instructions of their respective presidents, they had established an integrated commission between the Guatemalan Economy Ministry and the secretariat he presides over.

He explained that the integrated commission will initially work to identify the obstacles confronting further commerce between the countries and added that the study would be furthered during the next 45 days.

During the following phase, the commission must present solutions to the problems that inhibit the increase of commerce, he added. This phase must be concluded in 90 days.

Blanco highlighted the signing of the 10th Modified Protocol to the Partial Reach Agreement (AAP) that is valid until July 1997 and includes an increase in the list of trade products, which currently contains almost 1,000 products.

The Ninth Modified Protocol of the AAP will end on 9 July and the new protocol extends it another year.

The AAP is a legal-commercial mechanism through which Guatemala processes almost 76 percent of all its exports to Mexico.

The Secofi secretary asserted that the AAP acts "as a bridge until the free trade agreement between Mexico, Guatemala, El Salvador, and Honduras goes into effect." The latter three countries form the so-called Northern Triangle of Central America.

The Guatemalan economy minister admitted in a news conference, which was offered after the Mexican commerce secretary's visit concluded, that Mexican businessmen are not happy with the AAP.

He explained that the AAP mechanism promotes exports only in one direction, to the Mexican market, and, logically, sparks resentment among Mexican businessmen.

However, Wurmser added, the AAP is a strategy established by Mexico, "in a very positive mechanism," to further an export trend from the Central American countries to the Mexican market and, thus, favor free trade.

The Secofi secretary also revealed that they agreed to establish a "sole window" mechanism that will give "special treatment" to the cases of Guatemalan exporters and, in general, expedite reciprocal commerce.

He said Mexican President Ernesto Zedillo has "the will to promote better relations in the commercial and investment spheres and to ease all the contacts at the different levels of government," to benefit bilateral relations.

He indicated that the meeting with the three Northern Triangle countries held on Thursday, and the one with Guatemalan authorities yesterday, "has set the bases" to advance free trade at the bilateral and regional levels.

Complying with the mandate to renew commercial negotiations, which was issued at the Tuxtla II presidential summit in February, the Mexican secretary participated in a meeting with the economy ministers of the Northern Triangle countries on Thursday.

The representatives of Mexico and the three Central American countries agreed on the general guidelines for the Free Trade and Investment Agreement negotiations.

The general guidelines contain: the bases for the negotiations, the topics to be discussed, and the work methodology to further the signing of the Free Trade and Investment Agreement between Mexico and the Northern Triangle countries "in the least possible amount of time."

Guatemala: Acting President on Occupation of Congress

PA2405201696 Guatemala City Televisiete Television in Spanish 0400 GMT 23 May 96

[From the "Channel Seven News" newscast]

[FBIS Translated Text] Acting President Luis Flores Asturias has also commented on the union leaders' occupation of Congress.

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[Begin Flores recording] It seems to us that what happened on 21 May in Congress exceeded, I would say, the limit of what it means to be civilized, what it means to choose a democratic path, because abuses were committed inside the Congress' installations. I would say these abuses were very similar to those committed during the Dolores strike here in the National Palace. This is regrettable. I say that the union movement must modify its behavior, because even though they have the right to exert pressure and give an opinion, I believe that it is exceeding the regulations stipulated not only by the law but also by a country that intends to have a reconciled and peaceful society. [end recording]

According to Flores, the right to go on strike is not being eliminated; the government is guaranteeing that the nation's essential services will not be halted.

[Begin Flores recording] There are essential services that are very significant not for the government, but for people in general. These services must not be halted when a strike begins. You, the members of the media, on many occasions have pointed out that, when the workers of a hospital, a water system, or an energy system go on strike, people are not allowed to have the essential services to which they are entitled. [end recording]

Nicaragua

Nicaragua: Postal Authorities on Drug Shipments by Mail

PA2505140696 Managua BARRICADA in Spanish 24 May 96 pp 1, 8

[Report by Janelys Carrillo Barrios]

[FBIS Translated Text] Reports on drug shipments by mail have revealed contradictions between customs officials, the airlines, the Nicaraguan Post Office, and U.S. Parcel Post authorities. While the latter claim that narcopackages have been received from Latin American countries, including ours, the others claim they would never miss any shipments of that nature, because controls, although not technical, are effective.

Emilio Garibaldi, a customs inspector in Miami, recommended that Nicaraguan authorities train postal workers and equip them with the necessary tools. He also recommended giving them recognition for their dedication and stressing the importance of their work in the struggle against drug trafficking.

"In Miami every day we detect six attempts to introduce drugs through the mail," Garibaldi said.

Elena Tijerino Cruz, a parcel post customs official said the local personnel inspecting the packages only use a letter opener and a piece of tape, while in the United States, specialized equipment is used to detect drugs.

Tijerino said that the Nicaraguan Post Office should provide customs with the necessary equipment to inspect the mail and parcels in general. Post Office Director Jose Ernesto Gonzalez, however, said that this is a responsibility of the Customs Directorate.

"At one time, I inspected a package containing powder; the person receiving the package said it contained the ashes of a relative who had died in the United States. The package was quite heavy, but we did not have the necessary equipment to confirm if it was true. I finally gave the clearance when I received the death certificate and a document confirming that the body had been cremated," he said.

Maria Irias Michael, a security agent for American Airlines, which transports 90 percent of the Nicaraguan mail to the United States, said if there are any doubts regarding drugs, actions are coordinated with the Nicaraguan Post Office to make sure that the parcels are "clean."

"We protect the image of our company and our personnel performing those tasks are trained in Dallas, Texas," she said.

Post Office Director Gonzalez said he is willing to help Customs, which by June should have modern equipment consisting of computers that will not cost more than $10,000.

Nicaragua: 5 National Alliances Register for Elections

PA2805193796 Managua EL NUEVO DIARIO in Spanish 25 May 96 p 8

[Report by Edgard Barberena S.]

[FBIS Translated Text] The Supreme Electoral Council (CSE) ended the alliance registration process at midnight last night amid constant rains that prevailed in the city. The results of the registration process were the following: Five national alliances comprising 15 political parties of several ideological leanings and one municipal alliance were registered.

CSE President Rosa Marina Zelaya has reported to EL NUEVO DIARIO [END] that the alliances that registered in accordance with the electoral schedule are the following:

The Integrated Nicaraguan Alliance [Alianza Nicaraguense Integrada], comprised of the National Conservative Action (ANC) and the Christian Democratic Union (UDC.) Its legal representative is Allan Zambrana.

The Liberal Alliance, comprised of the Liberal Constitutionalist Party (PLC), the Liberal Party of Nicaragua

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(Pali), the Independent Liberal Party for National Unity (PLIUN), and the Central American Unionist Party (PUCA). This alliance will have Dr. Arnoldo Aleman as its presidential candidate and Enrique Bolanos as its vice presidential candidate.

The Unity Alliance, comprised of the Social Christian Party (PSC), the Movement of Revolutionary Unity (MUR), the Social Democratic Party (PSD), and the Party for Integration of Central America (PIAC). This alliance will back Alejandro Serrano Caldera as its presidential candidate and Juan Sanchez Barquero as its vice presidential candidate.

A person presenting an official CSE document accrediting him as the PIAC's legal representative came to the CSE offices at noon yesterday. END was able to find out from media sources that the man has told several radio reporters that the PIAC had not signed any alliance and has charged that the person who signed the agreements with the Unity Alliance had not been authorized to do so.

The New Uno

The following alliance in the coalition registration book is the Uno 96 Alliance comprised of the National Democratic Party (PND), the Conservative Action Movement (MAC), and the Nicaraguan Democratic Movement (MDN). This alliance is presenting Alfredo Cesar and Roberto Teran on its presidential ticket.

The fifth registered alliance is the Pan and Force Alliance [Alianza Pan y Fuerza] comprised of the National Action Party (PAN) and the Force 96 Republican Alliance Party, and it has Francisco Mayorga, banker and former Central Bank president, as its presidential candidate.

The Only Municipal Alliance

The only registered municipal alliance is "Samuel 96." It was registered by the Sandinist Renewal Movement (MRS) and the PSD parties and will present candidates only for the posts of mayor, deputy mayor, and municipal offices for the municipality of Matagalpa. This municipal alliance has Samuel Amador as its candidate for the mayor's position.

How Did the Period Fare

The CSE president recalled that the registration period for electoral alliances opened on 25 March and closed last night in accordance with the authorized electoral schedule, but the candidates and parties going to the elections alone have until midnight May 28 to register.

The parties that have registered to go alone to the elections are the following: the FSLN [Sandinist National Liberation Front]; the Nicaraguan Conservative Party; the National Justice Party; the Nicaraguan Workers, Peasants, Professionals Unity Party [Partido Unidad Nicaraguense Obrero, Campesino y Profesionales — PUNOCP]; the Sandinist Renewal Movement [MRS]; the National Project; the National Renewal Movement [Movimiento de Renovacion Nacional — Morena]; and the Nicaraguan Resistance Party (PRN). The latter's representative, Fabio Gadea, registered several candidates but not the presidential ticket comprised of Enrique Quinonez and Noel Rivera Gadea.

When the registration process ended at midnight, the only parties that still had not registered were the following: the Communist Party of Nicaragua (PCdeN), the MAP [Peoples Action Movement], the Revolutionary Workers Party (PRT), the Democratic Action Party (PAD) [Partido de Accion Democratica], the Independent Liberal Party (PLI), the Nicaraguan Socialist Party (PSN), the Conservative Popular Alliance (APC), the Nicaraguan Christian Path, the Nicaraguan Democratic Alliance Party (PADENIC,) and Up With Nicaragua, which was left practically headless when all its national directors resigned.

Prior to midnight, a PIAC representative presented to the CSE registration official documents on an old, pending litigation in the political organization. Wilfredo Montalvan of the PSD, a party in the Unity Alliance and with the MRS in the Matagalpa municipal alliance, also presented a document on the candidacies for RAAN [Northern Atlantic Autonomous Region], RAAS [Southern Atlantic Autonomous Region], and Leon.

Explanatory Meetings

Prior to the closing of the alliance registration period, CSE President Rosa Marina Zelaya announced that the CSE will hold a series of meetings next week to give briefings on the organization of the electoral process, the need for parliament to approve the political administrative division law, and the political and military security operations that will be maintained during the electoral process.

The CSE magistrates will meet on 29 May with the legal representatives of the political organizations participating in the electoral process, media directors, and journalists covering the organization of the elections. The CSE will meet with the diplomatic corps accredited in Nicaragua at the Foreign Ministry at 0900 on 31 May.

Rosa Marina Zelaya asserted that representatives of Ineter [Nicaraguan Institute of Territorial Studies] and Inifom [Nicaraguan Institute for Municipal Development]

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will attend the mentioned meetings to explain the parameters, including the case of the Atlantic region that still had not been defined by the legislature. The Army and the police will present the electoral security program.

Nicaragua: MRS Registers Over 1,000 Candidates

PA2505010596 Managua EL NUEVO DIARIO in Spanish 23 May 96 p 2

[Report by Edgard Barberena S.]

[FBIS Translated Text] Yesterday, after a march and a motorcade in the areas of Las Palmas and Monsignor Lezcano, the Sandinist Renewal Movement [MRS] registered more than 1,000 candidates for elected office, headed by the presidential slate of the party of the orange flag, Drs. Sergio Ramirez and Leonel Arguello.

The march concluded at the Supreme Electoral Council [CSE], where Ramirez and a MRS delegation presented a list of candidates to CSE President Dr. Rosa Marina Zelaya.

The MRS did not register candidates for elected office on the Atlantic Coast, because the National Assembly has not yet reformed the Political-Administrative Division Law.

When asked by reporters about the failed attempt to establish a patriotic electoral alliance, Ramirez replied that this is a thing of the past, and thus, his party will now proceed with vigor to take on the electoral challenge with candidates in 110 municipalities in Nicaragua.

Once the candidates for national deputies, departmental deputies, Central American Parliament deputies, mayors, deputy mayors, and councillors were registered, Ramirez spoke to the crowd from a stand installed across from El Carmen Church about past MRS accomplishments.

He said the "MRS has demonstrated amply it is a party advocating national unity and grand solutions involving all Nicaraguans, while transcending ideologies and political parties.

"We made an enormous effort to establish a political alliance of parties of various persuasions and candidates to demonstrate that MRS wants to merge forces and seek the country's stability," Ramirez added.

The Alliance Was Not Achieved

"That alliance was not achieved, not because of the MRS — because we did everything we could and the first thing we did with honesty and seriousness was to withdraw our candidacy — but this alliance was not achieved. This idea of stability and harmony and of ending violence will represent the orange flag of the MRS and all its candidates throughout the nation," the MRS leader noted.

Ramirez said "now our sacred alliance will be to the poor people of Nicaragua, with the small and medium-sized farmers who want to produce food, with the 600,000 children without schools, and with the 70 percent of Nicaraguans who cannot find a job. This is why our vice presidential candidate is identified with this MRS commitment to the future."

The MRS candidate pointed out, "I did not seek a dinosaur as my vice presidential mate; I did not seek someone who represents the privileged minorities of Nicaragua; I did not seek one of the few who have benefited from the loans granted to Nicaragua, leaving an immense majority of farmers facing the debt collection system called La Cobra."

"I sought as my vice presidential mate a young man who is well trained, without commitments to the past, but only with commitments to Nicaragua's future," Ramirez said at the campaign event, which included a small band.

Nicaragua: Funds Needed for Surveillance, Protection Plan

PA2805204296 Managua BARRICADA in Spanish 27 May 96 p 2

[Report by Lizbeth Marielos Garcia]

[FBIS Translated Text] National Police Chief Commander Fernando Caldera has said that this institution needs a 42-million cordoba budget, which it still does not have, to kick off the surveillance and protection plan for the upcoming elections.

The high-ranking police chief said this as he presented the security plan, according to which, 8,000 police units will be deployed during the ad hoc registration phase in 26 municipalities of the country, to Dr. Rosa Marina Zelaya, Supreme Electoral Council [CSE] president. The police will also protect 117 verification offices that are about to open.

Even though the police chief voiced his resolve to cooperate with the CSE to guarantee the success of the elections, he also voiced his concern about the fact that the government must have handed out the budget, "which is already approved." According to Caldera, this allotment is not subject to any discussions whatsoever. This budgetary allotment will be used, among other things, to protect candidates, which, according to Caldera, is not stipulated by the law, but was expressly requested by the CSE.

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Meanwhile, Dr. Zelaya pointed out that police participation is essential to guarantee order and the security of the Verification Offices and Vote Receiving Boards [Juntas Receptoras de Votos] [JRV], the transfer of materials and documents, and the protection of buildings located in Metrocentro, El Carmen, and the departmental Electoral Councils.

During the campaign phase, the police will oversee the development of political demonstrations by the various parties, and on election day, they will deploy approximately 20,000 men to protect the JRV's and guard the transfer of ballots, according to Zelaya.

The CSE president warned that, insofar as the elections evolve, "tense and difficult situations" could emerge. She notified this to police authorities. In referring to the demonstrations staged by sympathizers of the UNO [National Opposition Union] 96 Alliance and the PRN [Nicaraguan Resistance Party] on 23 May, Dr. Zelaya affirmed that "these demonstrations fortunately did not lead to anything else, but that they were worrisome." We must prevent future conflicts that could end up with violent demonstrations.

She also invited political leaders and organizations to act maturely and wisely and to combat ideas with ideas, so that the elections will truly be a civic celebration that will contribute to the "patriotic election" of the nation's authorities.

Nicaragua: FSLN Radio Transmitter Destroyed by 'Thugs'

PA2405115996 Managua BARRICADA in Spanish 22 May 96 pp 1, 8

[Report by Dorothy Whittaker Torrente]

[FBIS Translated Text] Bluefields — A group of criminals armed with clubs and machetes on the evening of 20 May nearly leveled the 10-kw transmitter of the popular Radio Zinica. Various segments of the south Atlantic population described this incident as a "very serious attack on the freedom of expression, which threatens the electoral process."

Zinica Director Arturo Valdez said the attack is "a criminal sabotage, because it took place in the middle of the electoral campaign." The Tezla brand transmitter that was destroyed is valued at $40,000.

He added that this radio station, which belongs to the Sandinist National Liberation Front [FSLN], has allowed the general public to participate by reporting irregularities committed by leaders of the government and of the regional council over the past six years.

Arturo Valdez, who is also an FSLN leader in Bluefields, added "Radio Zinica has criticized traveling businessmen as well as those who left the region without paying compensation to their workers."

Valdez told the police that the thugs destroyed the electricity box and electricity and audio cables with clubs and machetes. Radio Zinica facilities are located in Santa Matilde, about 4 km north of this city.

It Continues To Operate on FM

Valdez noted that the station had suspended transmissions on AM on 830 kHz after a transformer was damaged when Enel [Nicaraguan Electricity Enterprise] started tests to connect the entire country. Radio Zinica continues to transmit on FM, but its power is only on. kw.

The station director urged area residents to report to the police any suspicious persons they saw near the transmitter plants on the evening of the incident. The police continue to investigate but with little progress.

Panama

Panama: Minister on Interest in Starting Talks With U.S.

PA2805172796 Panama City EL PANAMA AMERICA in Spanish 28 May 96 p A1

[Report by Henry Raymont]

[FBIS Translated Text] Panamanian Foreign Minister Gabriel Lewis Galindo yesterday restated Panama's interest in promptly beginning exploratory talks on the future of the military bases by disclosing that this topic was discussed during his meeting with Panamanian President Ernesto Perez Balladares and various cabinet members in Miami last weekend.

The foreign minister, who is recovering from a lung disease in Miami, has said this visit was an opportunity for him to report on his recent meetings with ranking officials from Washington.

Lewis Galindo has admitted he was aware the U.S. Government has been impatient because of what Washington perceives as Panama's lack of resolve to initiate these talks. He has said he has no doubt an agreement will be reached soon to begin these talks.

Perez Balladares has visited Lewis Galindo along with other officials, including acting Foreign Minister Ricardo Alberto Arias, Gabriel Castro, Jose Luis Sosa, Mitchell Doens, and Francisco Sanchez Cardenas. This visit took place amid rumors in Panama of Lewis Galindo's alleged resignation.

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"There is no doubt about it," Lewis Galindo said but acknowledged his future will be determined on 12 June when he will meet with a group of physicians who are looking after his health in Miami.

Panama: President on Amnesty Bill, U.S. Bases After 2000

PA2805172996 Panama City LA PRENSA in Spanish 28 May 96 p 1

[Report by Rolando Rodriguez B.]

[FBIS Translated Text] "I will veto the amnesty bill" if it includes individuals who have been found guilty of murder or embezzlement, President Ernesto Perez Balladares has replied sharply when asked about the controversial topic.

Perez Balladares has said that he respects the rights of government branches and that the Legislative Assembly knows what it has to discuss and approve, but he will have to see the result once this has been done and will then decide whether he vetoes or approves the law.

"I will veto the bill if it comes to me with....an amnesty for individuals who have been found guilty of murder or embezzlement, (but) I could approve it if it does not have those shortcomings," the president has said.

On another issue, the president has reported on the health of Foreign Minister Gabriel Lewis Galindo. Lewis Galindo is receiving medical attention for a lung ailment in the United States. The president has said the minister "is in a full process of recovery" and will return to the country in the next 15 or 20 days.

He has said that Lewis Galindo is undergoing a series of tests and analysis that will determine to what extent he can go back to his regular lifestyle and that the foreign minister will return to his government position once he has those results.

On the permanence of military bases after the year 2000, Perez Balladares has insisted once again that no decision has been made on this issue except to continue exploring with the United States and the groups that have requested it the possibility of extending the time span for the U.S. troops to remain in Panama.

Asked about the contamination at several Panama Canal defense sites, Perez Balladares has said his government is going to demand that all the properties and land the United States will return be totally decontaminated.

He has said, however, that contamination could have started since 1917 and be in certain places that have already reverted to their jungle state. Thus, Panamanians must now ponder the possibility of subjecting those areas to decontamination to the detriment of the secondary jungle, because that process would destroy it.

In addition to those substances that are contaminating in themselves, the decontamination of those areas includes, among other points, any underground, active ammunition or weapons that could pose a potential threat to those who involuntarily manipulate or activate them.

Perez Balladares has said a study will be started shortly to determine the locations with greater contamination in the areas that are to be reverted and the best way to decontaminate them without doing further damage.

On another issue, Perez Balladares complained with a bit of irritation that the issue of his reelection is "farfetched" and that he does not understand "for what purpose or bad intentions several groups are placing it on the agenda" when it is not even a national issue.

Panama: Fonap Member on Canal Transfer, Payment for Bases

PA2805042496 Panama City LA ESTRELLA DE PANAMA in Spanish 27 May 96 p 32

[Article by Rogelio Antonio Cordova]

[FBIS Translated Text] Constitutional lawyer Humberto Ricord has said that the national government, which is experiencing a deep financial crisis, is desperate to receive money from any source, referring to the U.S. Government's unwillingness to pay rent to keep military bases in Panamanian territory.

Humberto Ricord's comments were made after the U.S. Ambassador to Panama Willian Hughes assured the local media that the two governments were exchanging information regarding possible negotiations on the permanence of U.S. military bases to combat drug trafficking.

Ricord is a member of the Panamanian Nationalist Forum [Fonap] and is closely following everything regarding "exploratory" talks between Panama and the United States.

U.S. Ambassador William Hughes stressed that the maintenance of defense sites in Panama is not being considered. The possible creation of joint forces to face the increasing activity of drug traffickers in the area is, however, under consideration.

Moreover, regarding the situation of workers in the Canal area, Humberto Ricord said that the bill that will be drafted, because of the Canal's transitional period, is "insufficient" since it includes only 23 articles that refer to the labor system.

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Ricord said that this would leave the establishment of workers's regulations to the discretion of the Board of Directors of the Panama Canal Commission, and that "would not be any kind of guarantee."

The labor system should be included in a firm law, which establishes the right of workers in the Canal area and in the rest of the country, Ricord concluded.

Panama: Amnesty Bill Creates Tension in Legislature

PA2505013096 Panama City EL PANAMA AMERICA in Spanish 24 May 96 p 1A

[Report by Carlos Vargas and Juan Manuel Diaz]

[FBIS Translated Text] The tension over the amnesty bill, which triggered riots in the university this week, shifted to the Legislative Assembly yesterday. Government and opposition legislators exchanged insults, and Deputy Balbina Herrera hit her colleague Olmedo Guillen.

The initiative grants amnesty to 951 people, including 13 legislators and 12 former command staff members, and was passed in first debate at the government commission yesterday.

During a heated meeting, government legislators Roberto Abrego, Balbina Herrera, and Manuel Ortiz, approved the majority report that orders the amnesty bill be sent to second debate.

When Commission President Roberto Abrego decided to vote on the report, although the list of speakers had not been cleared, opposition legislator Olmedo Guillen accused [Democratic Revolutionary Party, PRD, legislator] Balbina Herrera of being a "dictator" and of "only knowing how to operate under a dictatorship, because she is no good at democracy."

Reacting to Guillen's statements, Herrera accused him of "only daring to attack women because he did not have the courage to attack men." Guillen walked a few steps and told Herrera: "Go take care of your children." The PRD legislator responded to the insult by hitting him three times, and Guillen left the Legislative Palace with a smile on his face. After the incident, Legislative Assembly President Carlos Alvarado suspended the plenary because "the climate is very strained."

During the commission's amnesty bill debates, the opposition deputies requested Attorney General Jose Antonio Sossa's opinion on the bill before sending it to second debate.

Also, legislators Leopoldo Benedetti and Lenin Sucre requested that the government commission withdraw their names from the amnesty list.

Opposition To Present Charges, Calls for Veto

The opposition sector has announced that it will present charges against the amnesty bill at the Inter-American Human Rights Court and has asked President Ernesto Perez Balladares to veto the bill.

Arnulfist Party President Mireya Moscosa, Molirena [Nationalist Liberal Republican Movement] Vice President Delia Cardenas, and Christian Democratic Party President Ruben Arosemena have issued a joint communique in which they "reject and condemn the flagrant violation of the Constitution and the law that allows criminals and transgressors, who trampled all human rights during their reign of terror, to go unpunished."

Other Reactions

For human rights activist Otilia Tejeira de Koster, the PRD amnesty list is a "monstrosity and a dirty piece of paper that should be discarded in Cerro Patacon [a garbage dump]." Former President Guillermo Endara said it was "shameful and a moral and political stupidity" for legislators to include themselves as beneficiaries of the amnesty. Endara also pointed out that "PRD Foreign Minister Gabriel Lewis Galindo was the person who asked for the U.S. invasion."

However, PRD Deputy Secretary Francisco Sanchez Cardenas, who will benefit from the amnesty, invited Endara, [Molirena leader] Guillermo Ford, and other opposition members to "be included in the amnesty list, because no one knows what can happen in the future." Sanchez Cardenas reiterated that the parameter to prepare the amnesty bill was not to include people involved in murder cases. However, he did admit the bill includes people charged with embezzlement.

Former Civic Crusade leader Aurelio Barria Jr. believes the problem is not the list in itself, but rather the guidelines used to prepare the list, as it recalls "the blackest years of the dictatorship and the party that was its political instrument."

For his part, Ovidio Arauz of the National Committee for the Defense of Human Rights, asserted that his organization considers that the people involved in the Boquete attack and Pedro Miguel Gonzalez are political prisoners and that they do not appear in the amnesty list.

Conep [National Council of Private Enterprise] President Victor Lewis did not comment on the amnesty bill but stressed that the topic generates a new conflict when what the country needs is peace.

Former Dignity Battalion chief Benjamin Colamarco asserted that the amnesty is a "political instrument that propitiates peace and will put an end to divisions that are not positive for the country."

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Colamarco, who said he did not face any pending legal case, revealed that out of the 951 candidates to receive amnesty, 921 are currently free and have been so "for quite some time."

Referring to the PRD, [Authentic Liberal Party] official Alberto Cigarruista has charged that a "wolf is always going to howl like a wolf." He also accused the PRD of being "the brainchild of the dictatorship" that has not been able to renew itself. Cigarruista predicted that the PRD is "digging its own grave for the 1999 elections" with the amnesty list and the inadmissible manner in which it is trying to get the bill approved.

Panama: Human Rights Committee Decries Amnesty Bill

PA2405172696 Panama City LA PRENSA in Spanish 24 May 96 p A8

[FBIS Translated Text] The Panamanian Human Rights Committee has issued a communique, which was signed by its president, Osvaldo Velasquez, and its secretary, Minerva Gomez F., stating that if the Legislative Assembly approves the Amnesty Bill as it is, it would constitute a flagrant human rights violation.

On 22 May, the PRD [Democratic Revolutionary Party] made public the list of 951 people whom the amnesty will benefit, including, among others, former military officers Evidelio Quiel Peralta, Jose Bal, Teodoro Alexander, Carlos Arosemena King, Rogelio Alba, Mario Abel del Cid, Daniel Delgado Diamante, Jesus Balma, Pascual Gonzalez, and Lorenzo and Alberto Purcell.

The communique's signatories voiced their "concern about the negative effects this law would have on morale, justice, international human rights commitments, and politics."

In the committee's opinion, the scope of an amnesty law must be evaluated according to the people that it benefits and excludes, if we are dealing with similar legal situations. "This forces the Legislative Assembly to thoroughly examine each case to prevent certain types of criminals from being above the law and human rights. On the other hand, if it is an amnesty for political crimes, excluding crimes, torture, and illicit appropriation, all those arrested for the same reason must be taken into account," the communique also stated. [sentence as published]

The committee rejects the fact that an amnesty process, the objective of which must be humanitarian, could turn into a right to impunity as it benefits the perpetrators of incidents that harm human dignity, such as torture, criminal activity, serious and systematic human rights violations, and offenses to civic morale.

This committee also warned that, if these types of criminals are not excluded, the draft will be subjected to society's repudiation, because it ignores the sacred concept of justice and, thus, because it creates the right to impunity.

In addition, the committee reminded the Legislative Assembly that the state's duty is to investigate and punish human rights violations, regardless of when they were committed, and respect the human rights of individuals under its jurisdiction.

Panama: Objectives of 'Panama 2000' Conference Outlined

PA2405143296 Panama City LA PRENSA in Spanish 21 May 96 p 6A

[Report by Herasto Reyes]

[FBIS Translated Text] According to the organizers of the Panama 2000 Conference, "one of the most important issues on the national agenda lies in the fact that on 31 December 1996, the Republic of Panama will assume the exclusive responsibility for the administration, maintenance, and protection of the Canal. This includes the handling of cargo and the financial risk for the operation.

The Coronado 1 or Panama 2000 Conference will take place between 26 and 28 May 1996, in the Coronado Resort Hotel, with the participation of political parties, the government, organizations (both business and workers' groups), cooperative representatives, churches, and universities. The special guests will be the Supreme Court of Justice, the Electoral Tribunal, the Interoceanic Region Authority, and the Panama Canal Commission.

"The departure of the United States and the Republic of Panama's takeover of the Canal Administration, generates a natural fear among Canal users and, of course, among the international community," states a document convening the conference.

This event is sponsored by the Unity and Human Development Program of the UN Development Program (UNDP).

Organizers believe that it "is fundamental to dispel any doubts that may arise on the occasion of the 1999 transition, trying to establish levels of confidence in users and in the international community."

The informative document on the Panama 2000 Conference states that "the biggest danger Panama is facing when assuming the responsibility and financial risk for the administration, functioning, maintenance, and protection of the Canal, is the loss of qualified and trained employees, as well as a portion of the clientele who

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have other alternatives for the movement of their ships and cargo."

The document affirms that it is indispensable "to create national awareness of the responsibility the country will assume in 1999 in the face of Canal users."

It says that "a shared effort is required to increase confidence in the country. One important element is the express indication of the collective desire of society to place the Canal administration before any social and political difference."

Objectives and Principles

The objectives set out by the organizers of the conference are:

— To expressly establish the will of politicians and society regarding the efficient administration of the Panama Canal.

— To strengthen the confidence of international community regarding the ability and responsibility in maintaining the Panama Canal.

The principles on which the UNDP based its convocation to a meeting such as the Panama 2000 Conference are:

— The facilitator role the United Nations will play. The conference must be a direct responsibility of Panamanians.

— Transparency, viewed as the application of a flowing and frank communication methodology between the players, so that the topics, proposals, and resolutions are previously discussed and accepted.

— Permanent consultation. The United Nations, in its role of facilitator, will maintain permanent consultation with the political, government, and society players.

Topics That Will Be Addressed

The Panama 2000 Conference has an agenda consisting of three key points, which in turn are divided into subpoints, as follows:

1. Transition From a U.S. to a Panamanian Canal

1.1 New legislation and organizational structures.

1.2 Keeping the existing labor force and the ability to continue recruiting the best qualified personnel in the market.

1.3 Maintenance of the high standards of quality in preserving the equipment and in training personnel.

1.4 Threats to the Canal and its vulnerability to the same. Vessels' safety.

1.5 Foreign military presence: need of the presence versus effective usefulness of the areas. Permanence, conversion, and reutilization.

1.6 Preservation of customers' confidence.

1.7 Canal diagnosis.

2. The Canal of the 20th Century: The Challenges of the Future

2.1 Long-term transit projections (until the year 2060).

2.2 Result of the 1993 studies for Canal alternatives.

2.3 Investment to modify the capacity of estimated demand. The widening of the Gaillard Cut, technological changes, the third set of locks.

3. Governability

3.1 Guarantee of political and juridical stability for Canal users and the international community.

The Questionnaire

In order to ensure better understanding, the topics of the agenda have been arranged in a questionnaire format, along with each respective answer, as an index of the key questions on the Panama 2000 Meeting. Journalists preparing to cover the event have been provided with an agenda "so that it will guide them on the issues to be discussed." The answers included are based on research findings, texts, documents, in addition to interviews conducted by specialists on the subject, but do not include opinions of organizers or participants in the event.

Following are two examples of the type of questions and answers included in the agenda:

— What will be the impact of the withdrawal of the U.S. military bases?

One opinion that has been expressed in favor of extending the presence of military installations was based on purely economic grounds. Many Panamanians have stated their support for prolonging the presence of the bases based on the fact that once the withdrawal has been completed there will a significant loss of revenue and jobs, which will affect the economy. It has been estimated that the military bases contribution to the national economy varies somewhere between $200 and $700 million per year, including wages to employees as well as purchases of goods and services.

Those opposed to an extension of U.S. military presence in Panama beyond the year 2000 claim that the Torrijos-Carter treaty must be honored. They argue that the withdrawal of the U.S. military bases and the reversion

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of the Canal would give Panama the opportunity to sever its ties of dependence on the United States, as well as regain its dignity and national identity. They also believe that granting an extension would be equivalent to betraying the historical struggle that has been waged for sovereignty and national dignity.

— What is the situation with respect to contamination of the defense sites, including the military bases?

The civilian use of military bases in Panama represent a potential risk. There are two types of pollution taking place at the military bases: one is stationary [estacionario], such as with the industrial sites, and the other is migratory [migratorios], which are sites used for storage and transportation purposes.

According to evidence related to the contamination of other military bases around the world, it has been possible to establish that higher levels of pollution have been detected at bases that fall into the migratory category. Therefore, this fact invalidates arguments presented by the U.S. Southern Command when it claims that the military bases in Panama do not show any significant evidence of pollution since hazardous materials were basically stored and transported at the bases.

Generally, it is believed that any cleanup operation at the sites used by the U.S. Armed Forces should consist of simply removing any explosive devise that may have failed to explode during practices, instead of being allowed to remain buried in the exercise area, thus representing a risk.

During a period of no less than 70 years, the United States has been using Panamanian territory for different types of target shooting practices. This gives us some insight as to the likelihood of the presence of live explosive devises buried in those sites, which are reverting to Panama.

Cleanup operations do not only involve live projectiles. There are also other assorted substances that are as lethal as a bomb or grenade, and the effects of these elements can last for longer periods and cause irreparable damage to most living creatures, including humans.

These materials, known as contaminating agents, are mostly composed of various types of chemicals of varying physical composition. Therefore, cleanup operations do not exclusively involve the removal of grenades, bullets, cartridges, bombs, or other explosive devises, they also entail removing elements or compounds that have been able to penetrate our land, or are still present in our environment, degrading our natural resources.

The Panamanian Government will request that the United States recondition, as much as possible, those land areas that the General and Regional Commission of Land Usage may determine to be fit for agriculture use. The treaties signed by Panama never authorized the construction of permanent military bases in its territory.

Panama: President Opens 'Panama 2000' Meeting

PA2705215096 Panama City Telemetro Television Network in Spanish 1730 GMT 27 May 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares inaugurated the "Panama 2000" meeting today with the participation of businessmen, political parties, workers, and the Catholic Church, among other sectors. The main subject of this two-day meeting is the transfer of the Canal to Panama.

The meeting, which is being held at Coronado Hotel, attempts to define Panama's new policies for the transfer of the Canal. This subject is important for all Panamanians and has been discussed by various political sectors. What follows is a very short account of this morning's formal inauguration of the meeting by Perez Balladares in the presence of UN personalities.

Political parties, government sectors, and union leaders all agree on the need to depoliticize the Canal issue. During the first "Panama 2000" session, this was the opinion and commitment expressed by the participants.

[Begin recording of Ramon Morales, president of the Nationalist Republican Liberal Movement] "Panama 2000" has assembled us here to keep us away from the danger posed by the government people who believe that they alone know what is good for the country. The meeting will make us all — government, political parties, and civil society — understand that democratic maturity can be attained only if we set before ourselves lofty and well defined national objectives, such as permanent and total sovereignty over the Canal and our territory. [end recording]

In his opening speech, Perez Balladares said that not one Panamanian — and certainly not those who think they have decision-making power to determine the country's course — has the right to remain apart from the Canal issue.

[Begin Perez Balladares recording] Those of us who have come to Coronado must report to our fellow citizens and the world in general that the Panama Canal has ceased to be a source of international friction and instead has become a work of engineering at the service of international trade, and that it will be efficiently

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operated, responsibly maintained, timely updated, and adequately protected by the Panamanian administration. [end recording]

Perez Balladares promised to hold another meeting, if necessary, and devote it entirely to discussing the juridical provisions that will govern the Canal or its alternatives. He also pledged to have the government participate in this meeting.

Panama: Arnulfists on Nonattendance at 'Panama 2000'

PA2805000396 Panama City EL PANAMA AMERICA in Spanish 27 May 96 p D4

[Communique issued by the Arnulfist Party in Panama City on 26 May; published as a paid advertisement]

[FBIS Translated Text] With the reestablishment of democracy and civil liberties in our country, we believe that a topic of such great national importance as the Panama Canal demands a great national debate, which would help unify the Panamanian family around this issue.

For this reason, the past administration took the initiative of establishing the Commission of 92 illustrious Panamanians who, in an impartial manner, without party interests or discriminations, studied, discussed, drafted, and circulated at the national level the draft of the Basic Law of the Canal and the Transition Plan, with their precise timetables.

The invitation of the **UNDP** [UN Development Program] to allow representatives of the Arnulfist Party [PA] to attend the event called **Coronado I, Panama 2000 Meeting** to be held from 26 to 28 May has been reviewed and thoroughly consulted by our party's National Directorate and Consultative Board. From the internal debate, we have reached the following conclusions:

1. The agenda of **Coronado I, Panama 2000 Meeting** includes a point called **Governability**, viewed as the legal and political measures for the harmonious transition of the Canal and the peace of mind of the Canal users and the international community. This topic triggers basic suspicion and distrust. We have learned of the local and international efforts to achieve a favorable image in this regard and believe that the objective is to involve the political, civic, and business organizations in making statements in favor of a probable constitutional amendment that will permit presidential reelection, the extension of the president's term or the consolidation of a single candidacy. These are absurd ideas that are being pushed by some individuals addicted to power with the goal of keeping themselves in power without any consideration for our constitutional system.

2. The country's recent experiences with the **meetings at Bambito** remind the country to distrust the resolve of government officials. After those meetings, the government disregarded its commitments, forgot its promises, and deceived the people with disguised positions, such as the negation of the tripartite understanding signed at the Bambito III meeting, which had sought consensus in labor reforms but which brought repression, injuries, and death to workers. There were also the changes which were approved with the ruling party's overwhelming legislative majority, which reduced the autonomy of the ARI [Interoceanic Region Authority] and permitted the removal of its administrator, a retrogressive reform that placed the institution under the absolute will of the president.

3. The Legislative Assembly is discussing an Amnesty Bill, which some describe as a "self-imposed amnesty," which frees from punishment the criminals, terrorists and thugs who during the years of darkness suppressed their fellow citizens. This legalizes impunity and creates distrust and disbelief about the actions of our political adversaries, even when they are acting under the guise of an international organization.

4. We feel that the government is continuing the same political practices that led to the deep national crisis that so many Panamanians thought we had overcome. What they say is not what they do. "Power to the people" means to them deceitful lies against the aspirations of pensioners and retirees. It means the huge squandering of funds, unprecedented in our republican history; luxurious trips and salary increases for the favorites of the regime, while unemployment grows and taxes increase. They seem to be unaware of the path of ruin, decline, and crisis that their improvisations cause today, especially to the poorest sectors, whose poverty and hunger increase each day.

5. Nevertheless, there are various channels for the participation of citizens through which the PA can clearly make known its position on the issue of the Canal. We have always maintained that this issue must be placed above party interests to achieve a national understanding that will enable all Panamanians to obtain the greatest benefit from the Canal and its adjacent areas and that will also guarantee the interests of the Canal users. This is why we are obliged to maintain a watchful position, providing oversight and acting as a moral reserve to guarantee that a minority will not monopolize an issue that belongs to all Panamanians.

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Therefore, the PA National Directorate does not believe our participation in the Coronado I, Panama 2000 Meeting, is advisable.

[Dated] Panama City, 26 May 1996

"FOR A BETTER PANAMA"

[Signed] PA President Mireya Moscoso

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Argentina

Argentina: Armed Forces To Bear Brunt of 2d State Reform

PY2505021296 Buenos Aires LA NACION in Spanish 22 May 96 Second Section p 2

[Article by Claudia Boragni]

[FBIS Translated Text] The second reform of the state will begin with a strong rationalization of the security and Armed Forces, and with the overhaul of medical aid and social services run by the trade unions.

This was made public to LA NACION newspaper by sources close to the incumbent administration, who asserted that this reform — which was put together by the Office of the Chief of Cabinet — is aimed at slashing government spending to the tune of $3.5 billion once all government agencies and ministries set into motion an aggressive rationalization scheme, which will entail the elimination of agencies and the announcement of redundancies in the Civil Service.

The scheme provides for "a more efficient reallocation" of the financial resources appropriated for the Defense Ministry, whose annual budget is over $4.5 billion.

Although our sources declined to give details about the number of civil servants who will be declared redundant following the state reform, it is public knowledge that the greatest number of redundancies will be announced in the Army and the National Border Police. The Army, Navy, Air Force, the Argentine Coast Guard, and the National Border Police have, altogether, some 100,000 persons on the payroll, including civilian and military personnel.

Medical Aid and Social Services

The overhaul of trade union's medical aid and social services is also central to the government's reform scheme.

The Menem administration is planning to consolidate and overhaul more than 300 medical aid and social services which are in dire financial straights and have poor provision of services by means a special program. A Retraining Fund, which will manage a budget of $800 million earmarked, in equal amounts, by the World Bank and the Treasury for this purpose, will be tasked with the implementation of this program.

Half of the $800-million budget will be allotted to the reform of the medical aid and social services, while the other half will go to PAMI [Comprehensive Medical Assistance Plan] to fund the last stage of the rationalization of this institute.

Straightening Finances and Consolidations

The government's plan is also geared to the consolidation of the trade union's medical aid and social services, which are running a major deficit. These services will then submit a plan to put their financial house in order.

According to the scheme drafted by the Office of the Chief of Cabinet, there will only be 80 or 90 medical aid and social services controlled by the trade unions following the state reform. These will have to offer a mandatory health insurance and will be supervised by a regulatory agency, to which beneficiaries will be able to address all complaints if the provision of medical aid is inadequate.

According to the regulatory framework governing public hospitals, private health insurance companies, and trade unions' medical aid and social services, the public will freely choose where to obtain their health insurance policy.

The Flip Side

The reform of the trade union's medical aid and social services also contemplates putting PAMI, which is $45 million in the red each month, on a sound financial footing.

The plan the Office of the Chief of Cabinet and PAMI Trustee Antonio Maldonado are promoting to restructure PAMI — which has a total of 566 branches throughout the country — envisages making more than 4,000 employees redundant and rationalizing the 33 regional delegations of the institute.

Argentina: Secretary Denies $2 Billion Debt Maturity

PY2705204296 Buenos Aires TELAM in Spanish 1722 GMT 27 May 96

[FBIS Translated Excerpt] Buenos Aires, 27 May (TELAM) — Finance Secretary Ricardo Gutierrez denied today that the government must disburse $2 billion on account of the foreign debt on 31 May. Gutierrez said that only $581 million falls due on that date.

"What was published today is absolutely false. A total of $581 million falls due on 31 May. Out of this total, $459 million is for interest, including $435 million on account of the Brady Plan, and 122 million is to repay the debt itself," the Economy Ministry official said.

Gutierrez, shortly before joining a luncheon with the economic team and IMF Managing Director Michel Camdessus, made it clear that "the amount is part of

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normal maturities on account of the Brady Plan for May and November."

"It is absolutely false that we are in need of additional funds, because between tax collections already programmed and credits already received, we can cover all our financial needs until June, including the payment of the mid-year bonus," Gutierrez said.

The secretary denied that Camdessus' visit had anything to do with a review of the fiscal goals agreed upon between the government and that organization.

"Camdessus' visit is informative and it in no way involves a revision or an analysis of fiscal goals. That is absolutely false. I also deny that there was a meeting of the economic team to analyze the issue last night," Gutierrez said.

With respect to tax collections, the official reported that "it is within normal parameters and as anticipated in the Budget Law."

Gutierrez said that the government has not projected any fiscal deficit for May "because the Treasury has the necessary funds derived from taxes and other sources to pay for the operation of the entire public administration and to service the debt." [passage omitted]

Argentina: De la Rua Leads in Buenos Aires Mayoral Poll

PY2705185796

[FBIS Summary] Buenos Aires CLARIN in Spanish on 26 May publishes, on pages 2 and 3, a 900-word report on a survey concerning the popularity of Buenos Aires mayoral candidates.

The survey, conducted by the Center of Studies of Public Opinion, CEOP, questioned 500 individuals at least 18 years of age in the Federal Capital between 16 and 24 May. The survey shows that if the election were to be held today, UCR (Radical Civic Union) candidate Fernando de la Rua would obtain 32.8 percent of the votes, Frepaso (Front for a Country in Solidarity) candidate Norberto La Porta would obtain 23.4 percent of the votes, PJ (Justicialist Party) candidate Jorge Dominguez would obtain 19.2 percent of the total, and New Leadership candidate Gustavo Beliz would obtain 7 percent of the total. The survey indicates that 17.6 percent of those questioned are still undecided or say they will cast blank ballots.

The survey shows that the Frepaso ticket headed by Graciela Fernandez Meijide is leading the election for the district's constituent members. If the election were to be held today, the Frepaso ticket would obtain 27.4 percent of the votes, while the UCR ticket headed by Miguel A. Inchausti would obtain 21.2 percent of the votes. Third would be the PJ ticket headed by Carlos Ruckauf, and fourth the New Leadership ticket headed by Patricia Bullrich.

According to the survey, those questioned said that the characteristics of honesty, seriousness, capacity to exercise public office, and social sensitivity, in that order, are the most important qualities for the office.

Argentina: Indictment of Buenos Aires Mayor Reversed

PY2805141996 Buenos Aires TELAM in Spanish 1846 GMT 27 May 96

[FBIS Translated Text] Buenos Aires, 27 May (TELAM) — Court sources reported this afternoon that the Sixth Criminal Court Branch has reversed the indictment that Trial Judge Mariano Berges had issued against [Buenos Aires] Mayor Jorge Dominguez over the sale of a property owned by the municipality of the city of Buenos Aires.

The decision was made after the court accepted the objection filed by the mayor against Judge Berges for alleged "prejudgment" in this case.

Argentina: Modin Leaders Join Justicialists

PY2705232196 Buenos Aires CLARIN in Spanish 19 May 96 p 9

[FBIS Translated Text] A dozen Modin [Movement for Independence and Dignity] leaders from Buenos Aires Province have announced their departure from Aldo Rico's party to join the Justicialist Party. Jorge Ferreyra, Buenos Aires Province Modin secretary general; former Florencio Varela mayor Oscar Mingote; and leaders such as Miguel Diciani and Salvador Tropea, who founded Modin, are among those changing parties.

Argentina: Ex-Cabinet Chief Causes Concerns in Congress

PY2805235396 Buenos Aires LA NACION in Spanish 19 May 96 p 12

[Article by Sergio Levit]

[FBIS Translated Text] He did not take over as Senator for Mendoza yet, but former Cabinet Chief Eduardo Bauza has already received several assignments from President Menem that have made ruling party blocs in Congress nervous.

Bauza left the position of cabinet chief to face what he coldly described as a frightening alternative: work or live.

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He naturally elected to live. This is why he walked out of the first floor of Government House to move to a recovery center in Cordoba.

During this time Congress elected him senator replacing Jose Octavio Bordon.

There were a lot of speculations about the meaning of his departure: that the president was taking his distance from him or that the health reasons — true without a doubt — also included the mission of heading Menem's campaign for a new reelection.

About this last point we still did not heard a positive answer. But neither did we hear a negative one.

The truth is that Bauza started his recovery but after not too long he started missing the shining lights of power.

This is why he talked several times with the president and accepted to meet with him last week.

The president gave him several tasks. "I could not say no," the senator later told a friend smiling.

That agenda includes the following congressional issues:

— Yacyreta's privatization. The executive branch sent the project to the Chamber of Deputies, but PJ [Justicialist Party] bloc leader Jorge Matzkin warned that "we will not vote on it the way it was sent to us."

— Continental glaciers. There is need for an agreement, which still does not exist, within the ruling party bloc in order to approve the Menem-Aywin agreement.

— Fiscal pact. There is an unrepaired conflict between both chambers of Congress.

— Council of magistrates. It needs to be approved.

A Floor With History

Bauza started working immediately. He returned to his old offices on Rivadavia Avenue, exactly in front of Congress.

It is a floor with history. The transition and the handing over of power ahead of time was worked out in this office in 1989, when Menem was still president-elect.

The office has a very elegant wooden flooring with walls painted in white. The premise has a reception and three rooms that are used as offices. There are two bathrooms and a little kitchen, near the entrance on the left. Here people prepare tea and mate [herb tea] more often than coffee.

Last week various ministers visited Bauza's offices. Post Office Director Arturo Puricelli also visited the place. Did they, perhaps, talk about privatizing the enterprise? Or did they talk, perhaps, about the issue of continental glaciers, a topic Puricelli knows from up close from his years as Santa Cruz governor and a neighbor from the zone?

Official cars have crowded the side of the street opposing the Congress entrance through Rivadavia Avenue during the past five days. There is usually at least one civilian guard at the entrance.

Two ministers who visited Bauza's offices: Foreign Minister Guido Di Tella and Justice Minister Rodolfo Barra.

Both walked the same path separately. They crossed the street, entered the Congress building, and went to Matzkin's office.

Di Tella exchanged opinions with the officialist leader about Yacyreta.

Barra went beyond that: He decided that the bill on the Council of Magistrates, which was already approved by the Senate, will be discussed at the Chamber of Deputies after the election of the Buenos Aires mayor.

The question is: How much weight did Bauza's opinions have on this conversation?

Bauza proved that his power was well and alive on 15 May. He made a call and ended the report that Defense Minister Oscar Camilion was offering at the Chamber of Deputies Defense Committee.

The Concern

The situation provoked some nervousness, particularly in Matzkin, who was criticized by the president last week for his remarks about "fusible ministers" [ministros fusibles].

Matzkin, elegantly, sent a message to Bauza saying that we should find a mechanism to avoid taking the power off congressional bloc natural leaders.

Friends who visited Bauza could not hide their surprise. How? I thought you were going to take it easy?" one of them said when he visited Bauza's office and found that the place looked more like a train station during peak hours than a place of peace and easy going.

What can I do? The president asked me to take care of a few things and I could not refuse," Bauza answered.

His answer is only half the truth, because Menem asked, but Bauza was very happy to accept.

In any case, he accepted the suggestion made by friends that it was better "to clean up" his act and wait until he could take his senatorial seat.

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This time Bauza accepted. This is why tomorrow he will embark for the United States where he will stay for a week. The distance will calm his friends, who are worried about the installation of a parallel cabinet chief, and want to see him take his seat at the Senate at his return.

The consequence will be that ministers, leaders, and entrepreneurs will come to the Senate more frequently. They will all be more exposed, starting with Bauza, and it is possible that drinking mate at the Senate will not taste as good.

Bolivia

Bolivia: Defense Organ Denies Coca Survey by DEA Planes

PY2805150496 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 28 May 96

[FBIS Translated Text] The National Social Defense Secretariat categorically denied plans to have DEA planes overfly the Yungas region in La Paz Department to survey coca plantations in that area. The National Social Defense Secretariat issued a communique refuting news media reports claiming that there were such plans.

This communique stated that the reports are not based on any information available at the Ministry of Government, and that there are no plans to have either Bolivian or foreign planes overfly the Yungas Region to survey coca plantations. It adds that the talks with La Paz Department coca farmers will address the issue of legal coca plantations so that they will not be harmed by the measures that may be taken against plantations that supply materials used in nontraditional ways.

Bolivia: Deputy Views 'Shortcomings' in Drug Enforcement

PY2805150796 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 28 May 96

[FBIS Translated Text] Deputy Sergio Medinacelli, chairman of the drug enforcement committee of the Chamber of Deputies, has reported serious shortcomings and disorganization in the Special Antinarcotics Force, FELCN. He pinpointed three most worrisome aspects: There is no effective and clear-cut policy for the interdiction of precursors, there is no territorial control policy, and there are no mechanisms to control the inflow of illegal funds into the country.

Medinacelli reported that the information collected by his committee during a recent visit to the Chapare region showed that drug dealers have free access to precursors because there is no control. He reported that an ether-alcohol reprocessing plant was discovered in Cochabamba. This means that it is no longer necessary to import these substances from abroad.

Medinacelli emphasized that there is no effective territorial control because during the past three years more coca was planted than eradicated. The lack of a proper registry showing ownership of coca farms, who is in charge of production, their location and size, and, even more important, whether compensation for voluntary eradication has already been paid for any given property, precludes effective control.

Bolivia: Chilean Official Cited on Sovereignty Claim

PY2805145996 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 28 May 96

[FBIS Translated Text] Chilean Deputy Foreign Minister Mariano Fernandez on 27 May stated in Cochabamba that relations with Bolivia have not cooled down, but there are no grounds to discuss Bolivian sovereignty over a portion of Chilean territory.

He stated that the Chilean-Bolivian border has been clearly established in the 1904 treaty. The Chilean Government has repeatedly said that it is prepared to cooperate as much as necessary to give Bolivia access to the sea within the framework of the 1904 treaty.

Bolivia: Peru's Fujimori Arrives in Sucre

PA2505155696 Madrid EFE in Spanish 1341 GMT 25 May 96

[FBIS Translated Text] Sucre, Bolivia, 25 May (EFE) — Peruvian President Alberto Fujimori arrived today in Sucre in southern Bolivia, where he will participate in the events to commemorate the anniversary of the First Freedom Cry in Spanish America.

Fujimori, who arrived in Sucre at 0914 (1314 GMT), was received by Bolivian President Gonzalo Sanchez de Lozada, several ministers, and the top legislative and judicial representatives.

In preparation for his arrival, the police adopted tight security measures at the Juan Azurduy de Padilla Airport and along the highway leading to Sucre.

The presidents intend to discuss matters of interest of the two countries during breaks in the various commemoration events.

The governor of Sucre will declare Fujimori an Illustrious Guest. He will participate in a solemn Te Deum, a civic ceremony, and military parade.

After sharing in a native lunch hosted by the municipal government of Sucre, Fujimori will return to Peru this

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afternoon and Sanchez de Losada will return to the government building.

Bolivia: News Summary for 23 May

96CA0178A (Internet) Bolivian Social Communications Ministry WWW in Spanish 23 May 96 Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Political News [passage omitted]

Investigation Urged of Armed Forces Commander in Chief

(Ret) Colonel Adolfo Touchard Lopez yesterday submitted to the Permanent Court of Military Justice a file of documents on "nepotism, immoral and criminal actions" committed by General Reynaldo Caceres. Touchard requested that the Office of the Comptroller General investigate "the fortune amassed" by the Armed Forces commander in chief.

During the oral arguments phase of the proceeding brought by the Army Command against Touchard, the defense introduced this documentation as evidence in favor of the defendant. Now there remain the period of evaluation by the court, the summation presented by the military prosecutor, and the issuing of the verdict. [passage omitted]

General Information [passage omitted]

Explanations Demanded of Antidrug Prosecutor

Antidrug Prosecutor Leopoldo Ramos could be prosecuted for "concealment of evidence" if he does not explain by 1100 today why the investigations of informant Edgar Fernandez Lazcano were not included in the records of the "narcoconnection" case, the First Court on Controlled Substances has officially stated.

Judge Nancy Bustillos de Altuzarra, confirming that a court order has been issued to Prosecutor Ramos, also announced that, based on the additional information that is presented in this report, the sentence in the "narcoconnection" case could be extended. [passage omitted]

Bolivia: News Summary for 24 May

96CA0179A (Internet) Bolivian Social Communications Ministry WWW in Spanish 24 May 96 Morning Edition

[From the Computer Services Network of the Bolivian Social Communications Ministry http://utama.bolnet.bo:80/mcs/matind.htm]

[FBIS Translated Excerpt] [passage omitted]

Front Page News Briefs [passage omitted]

Polls Show President's Popularity Hits Lowest Point

A year and two months before the end of his presidential term, President Gonzalo Sanchez de Lozada's popularity has sunk to its lowest ebb, according to a poll conducted by the firm Encuestas y Estudios [Surveys and Studies] from 28 April to 10 May. 979 people in the cities of La Paz, Cochabamba, El Alto, and Santa Cruz were interviewed. Sanchez de Lozada received an average rating of 2.6 on a scale ranging from 1 to 7. [passage omitted]

Political News

President: Armed Forces Support Does Not Mean Partiality

The support of the Armed Forces for the government-sponsored reforms does not mean, nor should it be interpreted as, support for the political party in control of the Executive. It is merely compliance with the nation's legal system, stated President Gonzalo Sanchez de Lozada.

Sanchez de Lozada maintained that "compliance with and enforcement of the State Political Constitution and the nation's other laws does not mark a return to identification with a specific party's political platform." On the contrary, the participation of the military in the application of Bolivia's legal statutes is essential. [passage omitted]

Sandoval: Changes in Article 60 After the Elections

Any attempts to amend or reformulate Article 60 of the State Political Constitution can only be done after the general elections of 1997, stated the president of the Constitution Commission of the Chamber of Deputies, Edil Sandoval Moron.

"People might be thinking of reforms and improving the democratic system, but I do not think this should have anything to do with next year's elections," he said. [passage omitted]

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Economic News [passage omitted]

Negative Trade Balance

The negative balance of trade accumulated during the last four years has reached a total deficit of US $1.5768 billion, said the vice president of the Chamber of Exporters of La Paz, Roberto Camacho, in making an evaluation of the nation's risk status.

In his evaluation, he said that the macroeconomic data supplied by the government show that Bolivia is generally heading in a positive direction, despite some disturbing indicators. [passage omitted]

Brazil

Brazil: 'Friction' Possible With PRC on Textile Quotas

PY2805142196 Sao Paulo AGENCIA ESTADO in Portuguese 2325 GMT 24 May 96

[Report by Vladimir Goitia]

[FBIS Translated Text] Sao Paulo, 24 May (AE) — The decision to establish quotas for imports of PRC textiles will not, in practice, affect exports to Brazil, but it will certainly cause friction in the two countries' diplomatic relations. This is the opinion of Carlo Barbieri, vice president of the Brazil-PRC Chamber of Commerce. According to Barbieri, the unilateral measure imposed by the Brazilian Government has "betrayed" the trade accords recently signed between the two countries.

Barbieri, who held contact with PRC Government spokesmen today, said that Brazil has created discomfort by imposing quotas on PRC textiles before requesting a bilateral dialogue seeking to clarify the accusations of predatory competition made by the Brazilian textile area. "The PRC has not received the attention promised by Dorothea Werneck, former industry, commerce, and tourism minister," he said.

According to Barbieri, PRC textile exports represent less than 10 percent of the overall exports to the country. Last year, PRC exports totaled $800 million. Barbieri believes that the main problem to be faced is not that of PRC textiles, but the smuggling of textiles. He said: "The administration is not controlling this sort of smuggling."

He added that another problem the Brazilian administration should try to solve is that of under-invoicing of PRC imports and not the legal sales made by the PRC. The chamber president refuted the charges of dumping [preceding word in English] by PRC industry. "The PRC Government orders shipments to be immediately suspended whenever there are dumping charges based on technical grounds," Barbieri said. Later on, he added that the PRC Government orders that the costs of production of the accused industry be verified.

"Possibilities of dumping practices decrease significantly when the country's administration does not accept losses — in the public or private area," Barbieri said. According to him, to export with prices below production costs would inevitably cause losses for the enterprises.

Barbieri also said that the PRC will begin studying the consequences of the establishment of quotas and will decide, later on, whether it will adopt restrictive measures against Brazilian products, as it did recently with regard to U.S. merchandise. In 1995, PRC imports from Brazil totaled $1.2 billion, most of it in agricultural products (soybean byproducts and sugar), as well as iron ore.

Brazil: Complaints Lodged on 'Unfair' Trade Practices

PY2905030196 Sao Paulo GAZETA MERCANTIL in Portuguese 23 May 96 p A7

[Report by Livia Ferrari in Rio de Janeiro]

[FBIS Translated Text] Despite being a beginner as far as using trade defense mechanisms is concerned, Brazil has already lodged a considerable number of formal complaints against unfair export practices. Thus far, 73 legal cases have been opened in Brazil to investigate charges of "dumping" or subsidies in connection with 41 different import items.

Of these 41 items, final surcharges (for up to five years) have been imposed on 20 of them. Cases have been closed without any fine being imposed regarding 18 items (46.2 percent of the total); and only one product — portland cement — resulted in the signing of a price commitment, an instrument that made it possible to revise the value of cement imported from Argentina and Uruguay. Cases regarding two items — graphite lead pencils and metallic magnesium — are still under way.

The above figures have been supplied by the National Confederation of Industry (CNI), based on a timetable of the Foreign Trade Secretariat (Secex) of the Industry, Commerce, and Tourism Ministry (MICT). Secex, through the Trade Defense Department, is responsible for investigating and conducting cases against unfair trade practices.

Of all the cases conducted in Brazil, most of them — that is, 34 products — entail complaints against "dumping" practices. The remaining cases deal with

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charges of subsidies. Up until today, there are no records of any process being opened to impose safeguards.

The above fact does not take Economist Sandra Polonio Rios, chief of the CNI Foreign Trade Department (Decex), by surprise. She notes that complex steps are involved in demanding the enforcement of safeguards, which require a linkage among industrial restructuration programs. She noted that Brazil, after many years of having a closed economy, has not yet developed a business practice of trade defense.

Polonio notes, however, "the low incidence of the cases opened in 1996 and 1996" which shows, in her opinion, a disbelief on the part of entrepreneurs regarding the effectiveness of mechanisms designed to fight dumping and subsidies. In 1995, only one antidumping process was opened against imports of low carbon iron-chromium from countries that formerly belonged to the Yugoslav federation. A final 45.5 percent surcharge was imposed at the end of last month.

Brazil: Argentine Minister Comments on Patent Law

PY2805193396 Sao Paulo GAZETA MERCANTIL in Portuguese 23 May 96 p A6

[Article by Jorge Luiz de Souza]

[FBIS Translated Text] Buenos Aires — Argentine Economy Minister Domingo Cavallo yesterday attacked the clause in the Brazilian Patent Law that makes mandatory the domestic production of a medicine patented in Brazil. "That clause clearly violates GATT commitments. I am sure that if Brazil, at any moment, imposes restrictions on the importation of medicines, arguing that they are not being manufactured in Brazil, anyone could appeal to a 'panel' at the WTO to force it to withdraw that restrictive clause," he said.

Cavallo, however, also considered that clause as "totally inoffensive." He thinks that "no one will install in Brazil by virtue of the obligation supposedly imposed by its Patent Law. If we in Argentina want to avoid disloyal competition from Brazil to attract investments in the pharmaceutical sector, we do not have to render so much attention to that clause. If we introduced the same clause in the Argentine law, it would be just as ineffective as the Brazilian one."

During a news conference with foreign correspondents in Buenos Aires, the Argentine economy minister criticized the Argentine Patent Law and praised some aspects of the Brazilian one. "The degree of protection that Argentina has given to pharmaceutical patents has placed Argentina at a disadvantage in relation to Brazil. That is clear. Nowadays, a foreign laboratory that wants to make investments in the region and even carry out research projects will have more incentives to install in Brazil than in Argentina."

Cavallo said this is the case "because the Brazilian Patent Law protects patents more than the Argentine law. Brazil has essentially not imposed a transition period, and it gives strong protection 'by the line' [preceding three words in English], which means that it protects what is already in the process of being patented, while Argentina establishes a period of up to five years to grant protection to a patent."

Cavallo harshly criticized the government party politicians, holding them responsible for the Patent Law approved last year in his country. "The chauvinist spirit of some Argentine legislators led them to believe that not giving protection to patents is a manner of benefiting national interests. In order to attract investments in a competitive world, it is necessary to understand that investments flow mainly to countries that protect technological development and research. A country that gives less protection to research and development will obviously receive less investment than a country that provides such protection," he said.

Cavallo insisted on attacking the Argentine political class that protected the local laboratories through the law. Cavallo was careful to prevent a new crisis between the two countries on account of a dispute over investments from international pharmaceutical laboratories. "Those who now say that Argentina is at a disadvantage [as published] because Brazil imposed the obligation of producing products in its territory while Argentina has not are really attempting to hide their mistake of having placed Argentina at a disadvantage in relation to Brazil because Argentina does not give the same kind of protection to patents that Brazil does," he said.

Brazil: Bureaucracy Harms Implementation of New Patent Law

PY2905024196 Sao Paulo AGENCIA ESTADO in Portuguese 1957 GMT 24 May 96

[Report by Milton F. da Rocha Filho]

[FBIS Translated Text] Sao Paulo, 24 May (AE) — Normative Act number 126/96 — of the Industry, Commerce, and Tourism Ministry — which regulated the implementation of the new Patent Law, in its chapter about the registration of pipelines (products that are still being developed in Brazil and abroad) increases the amount of bureaucracy required for obtaining these patents and harms those who are developing the products and have tried to register them before the new law was approved.

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Through a resolution, it has also created a 10,000-real [R] tax to be charged for the registration of pipeline products. The cost of registering a common patent is R148.

According to Francisco Teixeira, vice president executive of Interfarma — an entity that congregates the 33 largest foreign laboratories installed in the country — the decision to charge a R10,000 tax will discourage national inventors and leave them unprotected. There is no reason to charge R10,000 for pipeline registration," Teixeira said. The only chapter of the new Brazilian Patent Law that goes into force now is the one regulating pipeline registration. The remaining chapters will go into force next year, in compliance with the one-year-grace principle.

The National Institute of Industrial Property [INPI] reported this afternoon that it has inquired about the price of pipeline registration in the international market and that in Mexico this type of registration costs nearly $8,000. One way or the other, the price has been deemed high by the foreign laboratories installed in the country.

The INPI normative act, which was signed by its acting president, and the resolution signed by Francisco Dornelles — industry, commerce, and tourism minister — which was published in the 17 May issue of DIARIO OFICIAL DA UNIAO, have not been well received by entrepreneurs who fear the excess of bureaucracy and the power being bestowed upon INPI.

According to Teixeira, the new Patent Law demands only two conditions for concession of a pipeline patent: that the product has never been launched in any market; and that no serious efforts for its manufacture have been made in the country before the Patent Law was approved.

Teixeira said that he knew before the law was approved that several companies had asked for patents for products that are still being developed. "They had the right to do that, even though they knew that these requests would be rejected. Now comes INPI and says in its normative act that if these requests are denied by them [INPI], the pipeline request cannot be registered," he said.

"This is absurd because this demand is not contemplated by the law and, worse still, as the INPI knew beforehand that this illegal provision would be included in the text of the normative act, it could have, if it wanted to, rejected all requests for patents still awaiting a decision to be made inside the institution," Teixeira explained.

He said that another arbitrary act taken by the INPI, this time through a resolution that ended by being signed by Minister Dornelles, was the decision to establish a tax, which was randomly established at R10,000 for each registration request for pipeline products. A common registration costs R148. "Why should there be this discrimination? Simply because they were against the pipeline provision," Teixeira said.

Brazil: Government Decrees Recognize 17 Indigenous Areas

PY2905000696 Rio de Janeiro O GLOBO in Portuguese 21 May 96 p 11

[FBIS Translated Text] Brasilia — The Justice Ministry today published in the official gazette a number of decrees recognizing the existence of 17 indigenous areas in Brazil, totaling 8.6 million hectares. These decrees account for the largest area recognized in the past 10 years and represent the largest among those areas recognized thus far by the Fernando Henrique Cardoso administration; that is, 5.8 million hectares. Among the areas recognized is the area of the Upper Negro River, in the municipal districts of Sao Gabriel de Cachoeira and Tauarete, in Amazonas, the second largest area in the country with 8.1 million hectares. The area is second only to the Ianomami reservation, in Roraima, which is the largest one in the country with 9 million hectares.

A decree recognizing an indigenous area is the first step toward demarcating and approving indigenous reservations. It means that the administration has recognized the existence of townships and that it is prepared to start the demarcation process in those areas.

Brazil: Central Bank, Governor Still at Odds Over Banespa

PY2905014496 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 May 96 p A8

[FBIS Translated Text] Brasilia — Despite the Senate's approval of a loan designed to rescue the Sao Paulo State Bank [Banespa], the Central Bank [BC] and Sao Paulo Governor Mario Covas have not yet reached an agreement. The BC officials are convinced that the only solution would be for the Covas administration to pay the state's debt to Banespa on the basis of negotiated terms.

A BC expert yesterday criticized the governor by saying that "Covas believes that if he turns Banespa over, he will not have to pay the state's debt." Covas believes that the BC ought to accord Banespa the same treatment it has given to the Economico and Nacional banks, which had access to resources made available under Proer (Program To Encourage and Strengthen the National Financial System).

The most recent disagreements between the two sides stemmed from a 3 billion real [R] debt in interest

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accrued following the agreement signed in December 1995, which has been described as "the black hole." The BC agrees to renegotiate R2.5 billion of the above debt, but demands that the Sao Paulo administration pay the remainder. The terms to renegotiate the R2.5 billion debt would be similar to those pertaining to the overall R15 billion debt, approved by the Senate. Officially, the BC has chosen to remain silent on the Banespa case. The watchword is to give continuity to the negotiations, but without entering into any public controversy with Covas. Since the Senate approved the agreement, talks have been held at a technical level between experts of the BC with a team of the Sao Paulo Finance Secretariat. BC President Gustavo Loyola and Covas have not personally met to discuss the matter, and are waiting for the experts to find a solution to the deadlock. No BC expert has dared to predict how the negotiations will end.

According to BC sources, by regarding as matter of honor for his administration to keep control of Banespa, Covas has fallen into a trap and cannot find a solution now. A source said: "The governor is treating Banespa as though he were responsible for all of the bank's problems." The source added: "From the outset of his administration, he should have made it clear to the public that he had inherited a huge problem from his predecessors."

Brazil: Daily Notes Danger of Expanding Domestic Debt

PY2705225096 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 May 96 p B2

[Editorial: "The Growth of the Debt Can Become an Invisible Bomb"]

[FBIS Translated Text] Economists have warned that the relief programs sponsored by the National Treasury and the Central Bank [BC] can dangerously worsen federal government liabilities. Those programs will benefit indebted farmers, official and private banks, state and municipal governments, and the housing sector.

To grant all such aid, the federal government needs to print currency and issue Treasury and BC bonds, which increase the federal indebtedness level. The programs can call for the issuance of bonds worth up to 40 billion reals [R].

However, according to a commentary published in the bulletin issued by the Garantia Investment Bank, the effect of those operations on the accounting records of the net debt and of the public deficit might not be so obvious, in the short term.

According to the BC, the public sector's net debt, which stood at R219.8 billion in March, accounts for 32.7 percent of the Gross Domestic Product (GDP). These figures were published last week. This percentage has not changed since January, and has grown very little since the end of the year.

In December, the debts owed by the federal, states, municipal governments, and state-run enterprises — after deduction of their credits — amounted to R211.3 billion, or 32.2 percent of the GDP. In reals, the growth was 4 percent. These figures include the obligations with foreign creditors and debtors.

The net domestic debt, however, has undergone remarkable growth. It grew by 7.7 percent in three months, jumping from R170.3 billion to R183.4 billion, or from 26 percent of the GDP at the end of 1995 to 27.3 percent of the GDP at the end of March.

The domestic debt grew especially because of the issuance of federal bonds. The bond stock grew from R106.7 billion to R130.7 billion, with a 22.5 percent variation in only three months, or 7 percent per month, with figures corrected for inflation. This growth rate is clearly incompatible with the expansion of the economy and of public revenues. Therefore, it will have to be stopped.

The issuance of more federal bonds to aid banks and to attenuate the financial crisis of state and municipal governments, and even that of certain sectors of the economy, has complicated this situation even further. The effects, however, have been dissolved through accounting methods. Whenever bonds are issued for providing financial aid, credits are normally entered to compensate for such issuance. The authors of the note published by the Garantia Bank mentioned several examples. The certificates issued by the BC — to replace state and municipal government bonds on the market — made the government's debt grow by approximately R28 billion. At the same time, accounting records were made to register credits — for the same amount — in the accounts of state and municipal governments. Therefore, the effect on the net debt is zero, or almost zero. In the case of Proer [Program to Encourage the Reorganization and Strengthening of the National Financial System], the aid to banks has resulted in the issuance of currency, which has increased the federal debt (the money supply is a debt owed by the government). However, credits are at the same time registered as debts owed by the banks.

There are more examples, but those two are sufficient to clarify the problem. There are, however, three major doubts that must be clarified and that are indicated in the bulletin:

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— the beneficiaries of the loans and of financial rescheduling may not repay their debts to the Treasury and to the BC. In some cases — and the bulletin does not say this — the repayment is very unlikely to be made. In such case, the figure that is today entered as a credit can be nothing but fiction;

— the interest paid by the government and by the BC for backing the aid programs may surpass budgeted transfers. The bulletin does not say this either, but the BC president has already admitted that the interest charged by Proer is probably lower than the cost of the bonds issued to neutralize the resulting expansion of the money supply. This certainly entails a loss.

— in light of the federal liability increase, public bond buyers may demand higher interest rates to reschedule the public debt.

Brazil: Politics Seen as Root of Economic Problems

PY2905024296 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 May 96 p A3

[From the "Notes and Information" page: "Political Deficit Is at the Root of the Public Deficit"]

[FBIS Translated Text] President Fernando Henrique Cardoso admitted in front of hundreds of businessmen who gathered in Brasilia the executive branch's impotence in face of the budget problems: "Everything is consumed in personnel, retirement pensions, transferences to the states, and interest payments." "Of those accounts," he added, "the only one I can further squeeze is the interest payments." Perhaps this phrase was still a form of defense because the executive branch does not have much freedom even in this field. Whoever left the meeting disappointed may still be considered an optimist. On the same day, the social security reform bill was massacred in the Chamber of Deputies, maintaining privileges with the connivance of the wrongfully called pro-government bloc in the lower house.

All these events should be put together to have a more or less clear idea of the Brazil problem. Yes, because the so-called "Brazil Cost" is only one of the aspects of this problem. The public deficit is another problem, as well as the resistance to the constitutional reforms. After putting all these problems together, even though there are more of them, the difficulties of President Cardoso can be seen in a new perspective. Slowness and impasses in the reform program are not only the consequence of the difficulties in the relations between the executive and legislative branches, or even between the executive and judicial branches. Attrition between government branches are normal in democracy. The Brazilian case is different.

Not long ago, many public services were interrupted in the United States as result of an impasse between the Presidency and Congress. Activities were suspended because there was no budget. Without budget the government cannot operate normally. The Americans know that the federal administration is a single one. It is made up to three branches, not three powers (the word is clearer than in Portuguese). It is a central administration for a national state.

In Brazil, the executive branch has the obligation of looking after public finances. The legislative and judicial branches have rights regarding public finances, but not obligations. They can establish the salaries of congressmen, judges, and public employees — according to norms which are always protested — but they do not worry with the balance of the public accounts. In the same manner, the idea of correspondence between means and obligations has been abolished. The constituent assembly representatives ignored it. Many congressmen, faithful to this spirit, do not regard the social security reform as public men, but as spokesmen of their own interests.

Congress, in other countries, is divided among parties. In Brazil, it is divided into blocs: These blocs represent the interests of farmers, of medical services companies, school owners, bankers, campaign financiers, public company workers, regions, governors, mayors, etc. The most natural effect is not the administration of the public assets, but their appropriation. Brasilia only represents the exacerbation of the great fair of bargains into which politics has become. The National Treasury and the Central Bank were led to participate in such process. Be it through the swap of the farmers debts, or through the rollover of the debts of the sugar cane mill owners, or be it through the replacement of undesirable state and municipal securities for federal securities. Of the 138 billion reals [R] outside the Central Bank, nearly R28 billion correspond to securities meant to replace state and municipal securities.

This is the particular case of Brazil. This is a federative republic. States and municipalities have separate tax jurisdictions but many of them cannot manage without federal resources to pay for their own basic expenses. Some of them do not even meet the constitutional demand of paying minimum wages to their employees. This was not taken into consideration when the amount of municipalities increased — as well as the hiring of personnel — as of 1988. Who cares? In the capital of the State of Tocantins, the new star of the Brazilian federation, a natural scale copy of the Eiffel Tower is being planned to be built. A committee from Tocantins went to Paris to take the measurements of the tower. If money is not raised in another manner, perhaps

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the National Treasury may end up involved in the initiative... Why not?

It is a consensus belief that without the reforms there will be no way to straighten out the public accounts and resume, without restrictions, economic growth. Businessmen and workers demanded the government (which is generally mistaken for the executive branch) a new stage of economic expansion. But nearly everything that is important in those reforms implies meddling in the relations between the public and private sectors, between regional and national interests. Little progress has been achieved in the economic reforms. The great magical pass will be to carry out the other reforms without first implementing the necessary political reform to establish a genuine federation and an effective democracy of political parties in Brazil.

Brazil: R16 Billion Said Spent To Ensure Passage of Bills

PY2905005596 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 May 96 section 1 p 6

[FBIS Translated Excerpt] Approval by Congress of the constitutional reform bills has already cost the Cardoso administration 15.6 billion reals [R] in terms of disbursement of treasury funds, guarantees for loans, conversion of state and municipal debts into federal debts, renegotiation of debts of farmers, and loans granted under Proer [Program to Encourage the Reorganization and Strengthening of the National Financial System].

Regarding the steps taken to obtain passage of the social security reform bill, in addition to assigning a cabinet post to the PPB [Brazilian Progressive Party], the federal administration vowed to assume responsibility for a R3.3 billion debt in bonds of the Sao Paulo city government. Thus far, the federal administration has already assumed responsibility for R700 million of the above debt.

President Fernando Henrique Cardoso and Sao Paulo Mayor Paulo Maluf, the main PPB leader, closed the agreement at Planalto Palace. Rio Grande do Sul Governor Antonio Britto has also succeeded in making the federal administration assume responsibility for part of his state's debt in bonds.

Final approval of the social security reform vote will force the administration to open its coffers once again.

The largest disbursement will consist of a R892 million from the National Treasury to the Mendes Junior construction company.

The administration is negotiating an amendment to Provisional Measure 1410 to benefit Mendes Junior.

The Ruralist Bloc has exacted a promise from the administration that it would seek to eliminate provisions of the above provisional measure empowering the Bank of Brazil to collect debts and interest on loans granted to farmers. The cost of this measure would be hard to measure.

In negotiating the reforms, the federal administration also pledged treasury guarantees for foreign loans to be contracted by the states: R220 million for Tocantins, and R200 million for Alagoas.

Maranhao Governor Roseana Sarney (PFL) [Liberal Front Party] has received a $131 million package of funds from the federal administration.

Rondonia Governor Valdir Raupp (PMDB) [Brazilian Democratic Movement Party] took advantage of the vote on the social security reform bill and exchanged the votes of the Rondonia bloc of deputies for the allocation of R30 million to repair the BR-364 highway.

Raupp is still waiting for the disbursement of the above funds. Deputy Confucio Moura (PMDB-RO) [Rondonia] said he believes the federal administration will honor its commitment. In negotiations regarding the social security bill, the administration also promised R30 million to the Paraiba bloc for the construction of a canal. [passage omitted]

The Central Bank has earmarked R4.6 billion to Proer to pave the way for the sale of the Economico bank.

The federal administration guaranteed R3.7 billion in debts of states and municipal administrations.

The Treasury offered R4.5 billion for projects sponsored by congressmen.

The Bank of Brazil sustained losses totaling R2.8 billion as a result of the renegotiation of debts of farmers. [passage omitted]

Brazil: PSDB-PFL Split Seen as Threat to Reelection

PY2905005696 Rio de Janeiro O GLOBO in Portuguese 26 May 96 p 2

[Article from Tereza Cruvinel's "Political Outlook" column: "The Elections Separated What the Real United"]

[FBIS Translated Text] Electoral definitions throughout the country will develop throughout the week. The candidates that are holding public posts will have to resign by 31 May. What took place in Sao Paulo, where the PFL [Liberal Front Party] and the PSDB [Brazilian Social Democracy Party] decided to remain in opposite fields, will also take place in the main capitals. The alliance which elected Fernando Henrique Cardoso,

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which was made possible by the Real Plan, will undergo a test of fire which will have effects on the reelection project and the 1998 elections.

The PSDB members think that the PFL, by choosing to strengthen Paulo Maluf's PPB [Brazilian Progressive Party] candidate in Sao Paulo, is really aiming to harm the reelection goal. Given that Jose Serra did not find the appropriate conditions to become candidate in Sao Paulo, the PSDB will run without a chance in the principal capital of the country. If Maluf manages to have Celso Pitta elected as mayor with the support of the PFL, he will be a threat to the reelection issue. After electing whomever he likes, Maluf will be a strong candidate to succeed Cardoso; he will be able to tour the country in triumph; he will have the means to maintain a good-sized party united. "It was a blow to the reelection issue," a very annoyed PSDB leader said on the evening of 24 May.

In Rio de Janeiro Maluf is also betting on a PPB alliance with the PFL around the name of Cesar Maia, again leaving out the PSDB. Maluf, however, has less opportunities in Rio because he has little influence on the PPB of Rio de Janeiro which is really controlled by Francisco Dornelles, who is struggling for a PSDB-PFL-PPB alliance. Outside Rio de Janeiro, where things are not easy, the PFL and the PSDB will run jointly only in capitals with little political importance, like Boa Vista (Roraima), Porto Velho (Rondonia), and Belem (Para). In the rest of the capitals, it will be each man for himself.

In Belo Horizonte the PFL has three candidates: Clesio Andrade, Paulino Cicero, and Helio Costa. Only Clesio Andrade is likely to conglomerate an alliance. However, the PFL does not want to hear about it. Meanwhile, the preferred candidate of Minas Gerais Governor Eduardo Azevedo, from the PSDB, is his Civilian Household Chief Amilcar Martins, whose popularity is low. This is why he could choose his Planning Secretary Walfrido dos Mares Guia, who is more popular for having improved the Minas Gerais education system. Walfrido really belongs to the PTB [Brazilian Labor Party] and his name is linked to that of former Governor Helio Garcia. This shows that the PSDB-PFL alliance will also not be reflected in Belo Horizonte.

The PFL leaders may not be directly to blame for what happened in Sao Paulo. The regional interests of a party prevail over others at election time. This means that with the splitting of the basis, the left wing of the PSDB, which preaches a reassertion of the party and less PFL power in the Cardoso administration, gains force.

Brazil: Coalition Attempt Fails for Rio Mayoral Elections

PY2705224596 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 May 96 p A6

[FBIS Translated Text] Rio de Janeiro — Attempts to form coalitions for municipal elections have failed in Rio de Janeiro and major parties will be nominating their own candidates. For instance, the PSDB [Brazilian Social Democracy Party] and the PFL [Liberal Front Party] will be rivals in the mayoral dispute. Rio de Janeiro Mayor Cesar Maia [PFL] yesterday launched the mayoral candidacy of Luiz Paulo Conde, Rio de Janeiro Secretary for Urban Affairs. Conde's running mate will be Eider Dantas, a state deputy (PFL).

The PT [Workers Party] municipal convention yesterday decided to nominate councilman Chico Alencar as the PT mayoral candidate for the upcoming election in Rio de Janeiro. The PT has thus ruled out the possibility of a forming a coalition with the PDT [Democratic Labor Party] — a possibility that had been endorsed by members of the PT national executive board. The PDT candidate for mayor is Federal Deputy Miro Teixeira.

Upon announcing the name of his candidate, Mayor Maia again criticized Sergio Cabral Filho, president of the Rio de Janeiro Legislative Assembly and the most likely PSDB candidate for mayor of Rio de Janeiro. Maia said: "Cabral Filho has no experience of managing a city of the size of Rio de Janeiro." Maia only has words of praise for Conde. He said: "He is the best qualified candidate to give continuity to our administration."

Conde's nomination has entailed a defeat for Industry and Commerce Minister Francisco Dornelles (PPB) [Brazilian Progressive Party], who was trying to work out a PSDB-PFL-PPB coalition. Sao Paulo Mayor Paulo Maluf is believed to have torpedoed the coalition, by leaving the PSDB branches of Sao Paulo and Rio de Janeiro aside.

Brazil: Suassuna Appointed Communications Bill Rapporteur

PY2305214596 Sao Paulo AGENCIA ESTADO in Portuguese 2216 GMT 22 May 96

[FBIS Translated Text] Brasilia, 22 (AE) — The government has a new ally in the Constitution and Justice Committee (CCJ), which will study the draft bill that regulates telecommunications services. CCJ President Iris Rezende (PMDB-GO) [Brazilian Democratic Movement Party-Goias] has appointed Senator Ney Suassuna (PMDB-PB) (Paraiba) as the rapporteur of the bill. Apart from the patents bill — on which he favored the

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interests of the so-called nationalist bloc — Suassuna usually defends Planalto Palace interests.

The senator today expressed surprise over his appointment and said he will only decide what orientation he will adopt after he has spoken with Communications Minister Sergio Motta and some communications officials. The administration wants to maintain the bill as it was approved by the Chamber of Deputies, while part of the PFL [Liberal Front Party] prefers a total opening of the telecommunications sector to foreign capital. The deputies limited the participation of foreign companies to 49 percent during the first three years after the law comes into effect.

PFL leader Hugo Napoleao (PI) [Piaui], who opposes this market reserve, will be the rapporteur of the Services, Infrastructure, and Economic Affairs Committee (CAE), which is the final committee to analyze the bill. Napoleao has so far been the main spokesman for businessmen and the administration in discussions over the telecommunications bill which involves cellular telephone services, access to satellites, special services, and data transmission.

Brazil: Roundup of Economic Reports Through 28 May

PY2805235196

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 28 May:

BASIC LEADING INDICATORS

Deterioration of Salaries — According to a survey made by MA Economic Consultants, the average salaries paid by the Sao Paulo industrial sector in March 1996 were 5.94 percent higher than in July 1994. In March 1995, Sao Paulo industrial salaries were 15.4 percent higher than in July 1994. Salaries reached their highest level in May 1995, when they were 18.4 percent higher than in July 1994, the first month of implementation of the Real Plan. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 May 96 p B1)

Number of Jobs Drops in Seven Years — According to a survey made by the Labor Ministry, 2.1 million jobs were closed in Brazil in the past seven years. The highest number of jobs were eliminated by the processing industry, followed by the financial and civil construction sectors. During the same period, the actual working population grew from 64 million to 71 million people. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 May 96 p 16)

Unemployment in April — According to information released by the Brazilian Institute of Geography and Statistics, the unemployment rate in the six largest metropolitan regions — Rio de Janeiro, Sao Paulo, Belo Horizonte, Porto Alegre, Salvador, and Recife — stood at 6.03 percent in April, compared to 6.38 percent in March. Rio de Janeiro registered the lowest rate, 4.29 percent. In 1995, in the six largest metropolitan regions the unemployment rate shifted from 4.42 percent in April to 4.35 percent in March, and in 1994, it shifted from 5.90 percent in April to 5.37 percent in March. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 May 96 p 16)

FINANCIAL OPERATIONS

Debt Servicing Figures — The National Treasury balance published in April shows that for the government finances, the servicing of the external and domestic debts is a much heavier burden than personnel and social expenses. From January to April 1996, debt obligations grew by 50 percent, compared to the same period in 1995, jumping from R4.117 billion to R6.492 billion. Total Treasury revenues grew by R29.581 billion from January to April 1995, and by R31.442 billion in the same period in 1996. Debt servicing obligations, which in 1995 accounted for slightly less than 15 percent of Treasury revenues, now account for more than 20 percent of revenues. Personnel and social expenses, which in 1995 amounted to R11.752 billion, stood at R13.849 billion in the first four months of 1996. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 May 96 P 6)

Partnership with Venezuelan Oil Company — Mines and Energy Minister Raimundo Brito on 24 May announced that PDVSA — Venezuelan Petroleum Inc. — will form a partnership with Petrobras — Brazilian Petroleum Corporation — to build an oil refinery in the Brazilian northeastern region, with an investment of $1.6 billion. Brito said that negotiations between the two enterprises will be completed in July. (Rio de Janeiro O GLOBO in Portuguese 25 May 96 p 24)

Swap Operations — Gustavo Franco, director of the international department of the Central Bank — BC — on 24 May reported that the BC is preparing to exchange the old foreign debt certificates for new certificates with more advantageous terms. This swap operation can be started — if approved by the Senate — in 1996. Franco explained that Brazil will not necessarily follow the model adopted by Mexico. (Sao Paulo GAZETA MERCANTIL in Portuguese 24 May 96 p B- 3)

Taiwanese Investment — Approximately 110 Taiwanese enterprises will invest $150 million over the next five years in the Camacari and Aratu industrial centers, in Bahia. The investment is part of the Brazilian-Taiwanese Shangri-la project for industrial

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cooperation. The Bahia government donated 1 million square meters of land for construction of both centers. Taiwan's Ex-Im bank will provide financing to the Taiwanese entrepreneurs who want to start operations in Brazil. (Sao Paulo GAZETA MERCANTIL in Portuguese 24 May 96 p C-3)

Fuel Oil Tax — According to a study made by Petrobras, the taxes burdening fuel oil prices amount to 28.9 percent, as per the following breakdown: Royalty, 1,3 percent, Importation Tax, 4.6 percent, Cofins — Social Security Contribution — 3.8 percent, PIS/PASEP — Social Integration Program/Government Employees Welfare Fund — 1.2 percent, and ICMS — Goods and Services Movement Tax — 18 percent. (Sao Paulo AGENCIA ESTADO in Portuguese 1856 GMT 27 May 96)

Conversion of Debts into Bonds — Finance Minister Pedro Malan on 22 May approved a resolution enforcing a decision by the National Monetary Council, easing bank requirements for conversion into bonds of farmers' debts that came due before June 1995. The resolution sets forth that banks may not demand legal advisory fees or extra guarantees for conversion operations. (Sao Paulo GAZETA MERCANTIL in Portuguese 23 May 96 p B-16)

FISCAL, MONETARY ISSUES

Central Bank Orders Intervention of Banorte — The Central Bank on 24 May ordered the intervention of Banorte, a Pernambuco bank that has been unable to reschedule its debts. Under the Central Bank resolution, Banorte will as of 27 May be run by the Bandeirantes bank, which will receive a R$40 million loan from Proer — Program to Encourage the Reorganization and Strengthening of the National Financial System. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 May 96 p 17)

PRIVATIZATION

Privatization of Power Plants Announced — Antonio Imbassahy, president of Eletrobras — Brazilian Electric Power Company, Inc. — on 24 May announced that privatization of the electric power generation sector will begin in 1996. Imbassahy explained that privatization will affect individual power plants or groups of power plants, rather than full enterprises. This is the method that Eletrobras has suggested in order to avoid transferring a state monopoly to the private sector. (Rio de Janeiro O GLOBO in Portuguese 25 May 96 p 24)

Chile

Chile: Air Force Acquires Two U.S.-Made Transports

PY2905024096 Santiago EL MERCURIO in Spanish 21 May 96 p C2

[FBIS Translated Excerpt] The Chilean Air Force will incorporate tomorrow two new medium-sized transport airplanes to strengthen the operational capabilities of the 10th Aviation Group located in the Arturo Merino Benitez Airport.

The airplanes that were purchased in the United States are a Beechcraft 200 turboprop and a Gulfstream III. They will be received by Air Force General Fernando Rojas Vender during a ceremony to be held at 1100. [passage omitted]

Chile: Air Force Group To Join UN Forces in Iraq

PY2805175796 Santiago EL MERCURIO in Spanish 23 May 96 p C4

[FBIS Translated Excerpt] On 22 May, General Fernando Rojas Vender, commander of the Chilean Air Force [FACh], reported that the first group of 50 FACh pilots and experts will depart for the Middle East on 15 July to join the UN peacekeeping forces in Iraq. [passage omitted]

As soon as they arrive in Baghdad, the FACh unit members will transport the UN experts who are overseeing the dismantling of weapons of mass destruction owned by the Saddam Husayn regime. [passage omitted]

The FACh group will be led by Guillermo Navarro, chief of FACh Helicopter Group Nine, headquartered in Los Cerrillos. It will remain in Iraq for six months before being relieved. [passage omitted]

Chile: British Justice Minister Arrives on Visit

PY2905030896 Santiago EL MERCURIO in Spanish 27 May 96 p C5

[FBIS Translated Text] British Justice Minister Lord James Mackay de Clashfern arrived in Chile on 26 May to hold meetings with Chilean authorities with whom he will discuss judicial reforms, antinarcotic laws, laws pertaining to human rights, and other legislative issues.

The British official, who is also Lord High Chancellor (the equivalent of Senate chairman), has a tight agenda on 27-28 May which includes meetings with Jose Joaquin Brunner, minister secretary general of government; Foreign Minister Jose Miguel Insulza; Senate Chairman Sergio Diez; and Luis Bates, chairman of the State Defense Council.

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The British minister will also meet with Supreme Court President Servando Jordan; Renan Fuentealba, president of the chamber of deputies foreign affairs committee; Interior Under Secretary Belisario Velasco; acting Justice Minister Jose Antonio Gomez, and Mariano Fernandez, chairman of the Bar Association.

Chile: Senators Assess Helms-Burton Law in Cuba

PY2905031296 Santiago LA TERCERA DE LA HORA in Spanish 27 May 96 p 7

[FBIS Translated Text] Five senators, who should be in Havana, Cuba by now, began a difficult mission on 26 May. Roberto Munoz Barra, Ignacio Perez Walker, Jorge Lavandero, Rolando Calderon, and Manuel Antonio Matta, who travelled to Cuba to personally become acquainted with the difficulties Castro's regime is facing due to the intensification of the U.S. Government blockade, were invited by Cuban President Fidel Castro as a result of the pressure exerted by the new Helms-Burton Law, which tightens the blockade on the island. Upon their return, the senators will report whether the blockade will affect Chilean investments on the island, whether Castro has loosened his dictatorship, whether there are chances of elections in the future, and about the human rights situation. The legislators will remain in Cuba for one week and will visit several towns, industries, and schools. The key meeting will be the one they will hold with Castro, probably on 31 May.

Chile: Christian Alliance Makes Electoral Pact With RN

PY2905024496 Santiago LA TERCERA DE LA HORA in Spanish 23 May 96 p 9

[Article by Alfredo Gonzalez]

[FBIS Translated Excerpt] The National Christian Alliance (ANC), which represents the "evangelic community" and is headed by political scientist Abraham Larrondo, has decided to establish an electoral and programmatic agreement with National Renewal (RN). According to the agreement, the ANC will have candidates for independent councilmen in subpacts in all the municipal districts in the country.

The ANC leader and candidates for mayors and councilmen for the Fifth and Metropolitan Regions met with RN President Andres Allamand. Larrondo said that the candidates of his group will represent the "principles and values of the Christian evangelic Protestants," and that his group is making a contribution for the development of a spiritual and material project for all Chileans. [passage omitted]

Colombia

Colombia: Serpa on Possible Cancellation of U.S. Visa

PA2805190596 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 28 May 96

[From "The Midday Newscast"]

[FBIS Translated Text] Santa Fe de Bogota — Interior Minister Horacio Serpa Uribe has complained again about U.S. State Department criticisms of Colombian institutions. He has said that if Washington decides to cancel his visa, that action would not be in line with his behavior, but he added that he would not protest or appeal that decision.

Colombia: Guidelines Established for Debate on Samper

PA2405163096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2330 GMT 22 May 96

[Report by Javier Contreras; from the "RCN Radio Events" newscast]

[FBIS Translated Text] There is already information on the rules of the game to be followed if it is decided to have President Ernesto Samper Pizano face a political trial. Javier Contreras reports.

[Contreras] Contact has been established between political groups and the Board of Directors of the Chamber of Representatives to establish the criteria and mechanisms that will apply during the chamber plenary sessions for the debate to be held on President Ernesto Samper.

Caracol also has established that the various political parties that have seats in the Chamber of Representatives will have spokesmen who may give their opinions, in statements no longer than two hours, on the penal process against the chief of state. They may refer to each of the four crimes listed. Likewise, other Chamber representatives on a list of speakers will be allowed to take the floor for a maximum of 20 minutes, a period which can be extended by the Chamber presidency depending on circumstances.

The possibility of voting on each penal crime separately, crime by crime, is being considered. The representatives may vote publicly, if they want, and leave a written record of their vote at the moment of voting. Only Chamber representatives and bench advisers, not more than four, who will be accredited before the presidency of the Chamber of Representatives will be allowed to attend the Chamber plenary sessions. No cabinet minister or senator will be allowed to attend these sessions.

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The Chamber sessions could take place from 1400 to 2100. The sessions can be attended by Attorney Luis Guillermo Nieto, who will be permitted to speak for two hours to defend Samper legally and to state the president's position. The attorney will not be permitted to question speaking representatives.

Colombia: Representatives To Debate Samper's Future

PA2805165296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 28 May 96

[Telephone interview with Dr. Rodrigo Rivera Salazar, president of the Chamber of Representatives, by news director Dario Arizmendi and reporter Judith Sarmiento in Santa Fe de Bogota; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Text] [Arizmendi] The plenum of the Chamber of Representatives has been summoned for today at 1400. Its 65 representatives have in their hands Colombian President Ernesto Samper Pizano's juridical and political future following the investigation and preparation of this case by the Investigation and Accusations Committee. This is Chamber of Representatives President Dr. Rodrigo Rivera Salazar. Good morning.

[Rivera] Good morning, Dario.

[Arizmendi] What is the agenda for today, Dr. Rivera?

[Rivera] Today's agenda only includes the debate that will begin after 1400. We have discussed and agreed with various blocs that there will be a preliminary debate to determine which representatives may participate in this debate. This will be a discussion of the disqualifications that the representatives themselves will present and of the challenges [request for disqualification of judge or judges] that might be formulated. Afterwards, the debate on the Colombian president's personal behavior will begin.

[Arizmendi] Who resolves on these disqualifications and challenges: the Chamber's plenum or the board of directors, Dr. Rivera?

[Rivera] The Chamber's plenum will do so although we should to stick to the procedure established by the Court of Consultation and Civil Service of the Council of State.

[Arizmendi] Do you believe that the debate itself on the president's behavior will begin this afternoon?

[Rivera] [Word indistinct] it might be possible if the topic of disqualifications and challenges is quickly resolved. However, it is most likely that today's session will discuss this topic if, as it has been said, there is a significant number of representatives who declare themselves disqualified for various reasons and if there are other citizens or representatives who challenge some of our fellow representatives.

[Arizmendi] How will the registration take place? Will it be done by political parties or according to the order of presentation of speakers?

[Rivera] Along with the discussion of disqualifications and challenges, we will open the registration of speakers who will participate throughout the debate. We hope that this registration will give us an initial idea of how long this debate will be and the scope of the speeches. In principle, because of the absence of a strong party system in Colombia, it is impossible to keep any representative who wants to participate on his own from doing so.

[Arizmendi] Will Luis Guillermo Nieto Roa, who is the president's attorney and thus is a participant in the legal procedure, have the opportunity to participate? Or will his opponents have their way?

[Rivera] At this stage of the case as well as others, only congressmen, who are the Chamber representatives in this case, may participate as well as the participants in the legal procedure. In attorney Nieto's case, he is in fact the president's attorney and therefore he is a participant in the legal procedure. So is the representative of the public prosecutor's office. No one else may participate in this debate. The participants in the legal procedure may participate by law in a so-called informal session at the Chamber.

[Arizmendi] For how long will each speaker participate?

[Rivera] Well, regulations provide for a time limit of 20 minutes. However, as I have said, there will be some flexibility because of the significance of this topic and because a large number of the spokesmen of an important bloc of representatives will find it impossible to limit their speeches to this time span.

[Arizmendi] Dr. Rivera, what is your opinion of a recent statement made by the Prosecutor General's Office expressing that a secret vote would be unconstitutional because Congress is a natural judge of the head of state and judges should issue their votes publicly?

[Rivera] Well, this is the opinion of the Prosecutor General's Office within the framework of [word indistinct] that was filed against Article 131 of Law 5 of 1992, which are Congress regulations. As long as the Constitutional Court does not resolve this matter, the Chamber has no other choice but to abide with this mandatory ruling. Only an appeal for unconstitutionality has been filed, but the court has not issued a resolution yet. Therefore, a secret vote is mandatory.

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[Arizmendi] Dr. Rivera, some public sectors believe that a decision has already been made. Some who are even more severe believe this is merely a farce. Some even point out that very likely there will be nothing new during the discussion at the plenum of the Chamber of Representatives. You have said there might be sudden surprises. What do you have in mind when you say so and what may actually happen at the plenum of the Chamber of Representatives?

[Rivera] Well, I think of past episodes that have demonstrated that what the media says does not always take place at Congress. In November 1994, everybody thought that the Chamber would approve a bill on narcotics and this did not happen. In December 1995, everybody was certain that the Chamber would approve a narcotics rider and this did not happen either. Last week, everybody thought that the three representatives who were in charge of the investigation would present a unanimous proposal to close this case. However, Representative Rodrigo Arcila presented a proposal for indictment. This proves that the Chamber's behavior is unpredictable. I have personally spoken over the past few days and weeks with most congressmen. This majority has not made a decision and is waiting for the events at the debates in order to make a decision following the discussion of the investigation and the presumptions that are presented at the debate.

[Sarmiento] Does the Chamber's board of directors have details as to how many representatives will present disqualifications, how many have challenges filed against them, and how long it will take before a final decision is made?

[Rivera] This afternoon we will have the exact number of representatives that will present disqualifications or have been challenged because there was no prior deadline to present disqualifications and challenges. This will be the first opportunity for congressmen to say if and give reasons why they believe any of the 16 reasons for disqualifications and challenges apply to them to allow the Chamber to make a decision. Later, there will be an opportunity for those whose qualifications have not been challenged beforehand to undergo the same process for the Chamber to decide. According to the law, the debate might last up to 15 days. However, as we have said, we will resort to a sort of high-level sequestration starting today until the situation is resolved and there is a respite for the country.

[Arizmendi] Do you plan to work even on Friday, Saturday, and Sunday, Dr. Rivera?

[Rivera] I believe so. We congressmen have discussed this decision for various reasons: because it is urgent to resolve this issue and for security. Various blocs at Congress have welcomed this decision.

[Arizmendi] We have just received a letter that Conservative National Directorate President Jaime Arias sent you yesterday. Therein, he tells you that the Conservative National Directorate believes that although an informal session with the participation of the defendant's spokesmen violates the law, the accusers, who are Dr. Fernando Botero and Santiago Median, or their representatives should also be given an opportunity. What is your response to this query of the Conservative National Directorate?

[Rivera] I have not actually spoken with the political leaders, but I spoke with Conservative congressmen last week. We reached an agreement that will allow the participants in the legal procedure to participate in the debate as we have said without a bitter discussion at the Chamber's plenum. The other cases that are mentioned in this letter [involve individuals who] are not evidently participants in the legal procedure. However, they could take action during the proceedings of the trial against Botero and Medina, but not in this trial because Botero's and Medina's behavior is not being judged but rather that of President Samper.

Colombia: Samper's Trial Begins Amid 'Controversy'

PA2905021096 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2340 GMT 28 May 96

[Report by Felipe Gomez; from "Caracol's Latest News" newscast]

[FBIS Translated Text] Here is Caracol from the ellipse in the National Capitol. With 149 parliamentarians out of the 175 that comprise the Chamber of Representatives, the historic trial of President Ernesto Samper Pizano began at about 1500 [2000 GMT]. Afterward, Representative (?Danilo Martinez) listed the order of speakers in compliance with a Constitutional Court ruling because of fear that some congressmen would leave and disregard their official duty.

After three hours and 45 minutes of discussion, the Chamber of Representatives is involved in a legal controversy because of the obstacles and those requesting to be disqualified; in other words, those representatives who should not be in the debate [words indistinct]. Right now, the cases of two representatives who sought to be disqualified are being argued. They are Pablo Victoria and Melquiades Carrizosa, who have been asked to remove their wing's proposal. Paulino Espinoza, who accompanied Pablo Victoria when the request for disqualification was presented to the members of the In-

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vestigation and Accusations Committee of the Chamber of Representatives, refuses to withdraw the proposal.

When Jose Domingo Davila, who has requested to be disqualified, learned about this, he said in the plenary:

[Begin Davila recording] I say to those representatives who attempt to disqualify me to maintain their position. Seeing that parliament member Marta Catalina withdrew the appeal, they should go to the Ethics Committee to clarify the case. [end recording]

The obstacles and the disqualification requests were because the parliamentarians' report claims that they may have received monies from Dr. Samper's presidential campaign, received favors from the current administration, or publicly expressed their opinion on the president's trial.

One of the congressmen may be deemed to have a conflict of interest and a subcommission is deciding on the matter right now. There are seven Liberals, one Conservative, and one Independent. There are 23 representatives requesting disqualification, including most members of the investigation commission. Discussions are under way as to what organization within Congress should deal with the case.

The most attention-getting cases are those with obstacles. Such is the case of Liberal Rodrigo Echeverry, who said that he received [words indistinct] from the Samper campaign and has received [words indistinct] and budget assignments.

Previously, most Liberal leaders here in the Chamber of Representatives have rejected comments to the effect that the ruling was known ahead of time.

What does Meta Department Liberal Representative Dr. Betty Camacho say?

[Begin Camacho recording] I believe they are jumping to conclusions. [end recording]

Colombia: First Session of Samper Trial Ends

PA2905024196 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0105 GMT 29 May 96

[Report by Gilberto Alvarado]

[FBIS Translated Text] After five hours of debate the first session of President Ernesto Samper Pizano's trial has just ended at the Chamber of Representatives. The main topics were the obstacles and disqualifications. Three representatives complained about being isolated from this debate.

Meanwhile, the Chamber plenum decided that the disqualification requests that were filed against certain congressmen by some who believe these congressmen should not participate in this debate, will be analyzed by the Ethics Committee, which is currently meeting to determine how it will carry out this task. President Samper's lawyer, Luis Guillermo Nieto, commented on this first session:

[Begin Nieto recording] Disqualification requests were filed against friends and critics alike; against both sides. I suggested that no one be [word indistinct] for his opinions. [end recording]

The plenum of the Chamber of Representatives was summoned again at 1400 on 29 May for the second day of debate in President Ernesto Samper's trial.

Colombia: Samper on 'Corrupting Power' of Drug Trafficking

PY2805152596 Madrid EFE in Spanish 1142 GMT 28 May 96

[FBIS Translated Text] Brasilia, 28 May (EFE) — Countries like Brazil, Mexico, and Peru are beginning to experience a phenomenon Colombia encountered 10 years ago: The corrupting power of drug trafficking. This was stated by Colombian President Ernesto Samper in an interview published today by the newspaper CORREIO BRASILIENSE.

Samper — who is accused of accepting drug trafficking money for his election campaign — said that the aforementioned countries are also liable to suffer the corrupting effects of "certain international sectors" that "demand greater commitment in the drug enforcement effort, which must take place not only in the drug-producing countries but also in the drug-consuming ones."

The Colombian president said that, in his opinion, "every country that faces this problem has the right to establish its own drug enforcement goals and to demand of the international community that the struggle not be limited exclusively to the so-called drug producing countries."

"Issues like the reduction of drug consumption, of arms sales, of money laundering through which drug money is recycled, should be part of a multilateral agenda," Samper said to a special CORREIO BRASILIENSE correspondent.

"If we accept that the drug issue should be treated in a unilateral manner, we will be accepting the violation of our sovereignty," Samper said.

The Colombian president stated that the word "narcodemocracy" was invented by "certain sectors" to discredit not only the Colombian administration but the

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Colombian political system as well so as "to demand greater effort in a war that is not only ours."

Samper asserted that he currently feels more confused than a year ago concerning what happened in his election campaign, with regard to which he is accused of receiving multi-million dollar contributions from drug traffickers.

"The evidence that turned up in the latest investigations about the alleged diversion of funds by people at the head of my campaign could indicate that the campaign was innocent [as received]. We will learn the truth only when those who were responsible for such actions are detected," he said.

Samper said that he has not overlooked government matters. He said he has a team of lawyers who defend him and that he has to face the political effects of the crisis.

He said that he "has not reflected in the least" about what he will do in the future if he has to resign, and he stressed that one of the things that allows him to remain "firm" is the fact that he always looks positively toward the future.

He acknowledged that there is evidence drug trafficking money infiltrated his campaign. He notes that he never denied this, and that if this happened, it did so in spite of the controls that had been established.

He insisted that if that happened, it did not affect his administration's will to fight drug trafficking, and that the evidence of this is the fact that the chiefs of the drug cartels are in prison. Besides, if such an infiltration took place, "no campaign promise has been made" in exchange, the 46-year-old Colombian president said.

Samper admitted that he experienced a difficult year, but noted that he, personally, has always been hopeful "the truth would be established." He said that the most difficult moments for him were "the acts of disloyalty committed by the people" whom he trusted, and "there were several."

Colombia: Ex-Defense Minister To Seek Sentence Reduction

PA2705042196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0315 GMT 25 May 96

[From the "Caracol Radio News" newscast]

[FBIS Translated Text] Santa Fe de Bogota — Former Defense Minister Fernando Botero's lawyer Fernando Londono has reported that Botero has decided to take advantage of the sentence reduction program established for those who cooperate with the justice administration. Londono said he will send an official letter to the Prosecutor General's Office in a few hours asking to negotiate Botero's sentence.

Botero will plead guilty to the offenses he committed while he managed the "Samper for President" campaign. Londono also said that he will request an ahead-of-schedule termination of the legal proceedings, that Botero will only plead guilty to concealment and falsification of public documents, and that Botero will never admit that he is guilty of illegal enrichment.

The sentence negotiation would mean that, at the worst, if he gets the maximum sentence for concealment and falsification of public documents, he would have to serve only three and one-half years in prison.

Colombia: Son of Cali Group's Rodriguez Orejuela Wounded

PA2605115996 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0315 GMT 25 May 96

[From the "Caracol Radio News" newscast]

[FBIS Translated Text] Cali — William Rodriguez Abadia, the eldest son of Miguel Rodriguez Orejuela, the so-called chief of the Cali cartel who is in jail in Santa Fe de Bogota, was seriously wounded in an attack against the members of the Rodriguez Orejuela clan. Five individuals who were accompanying Rodriguez Abadia were killed, and one was shot in the head.

The action was carried out by a commando element of 12 men at the Rio de Enero Restaurant, located at 8th Avenue North and 25th Street in the upscale neighborhood of Santa Monica Norte. Shortly after 1300, several armed men arrived at the restaurant and using guns with silencers fired at bodyguards Leonel Medina Medina, from Jamundi in Valle del Cauca and Carlos Alberto Botero Zapata, 22 from Armedia, Quindio. Immediately after that, a barrage of bullets coming from various tables in the restaurant fell over the table occupied by William Rodriguez Abadia, Juan Carlos Delgado Martinez, Oscar Echeverry Garcia, Nicole Antonio and his brother Fernando Parra Toro. The shooting was from one side only, because the escorts and the group accompanying Rodriguez Abadia were disarmed, according to the authorities.

Juan Carlos Delgado Martinez, Antonio Parra Toro, and Oscar Echeverry Garcia, Miguel Rodriguez Orejuela's brother-in-law, were killed in the attack, perpetrated with machine guns and automatic pistols. Their dead bodies were found inside one of the rooms on the second floor of the Rio de Enero Restaurant. William Rodriguez Abadia sustained wounds in his legs, thorax, and hand.

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Colombia: Group Denies Attack on Rodriguez Orejuela's Son

PA2705231296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1700 GMT 27 May 96

[From "The Midday Newscast"]

[FBIS Translated Text] Santa Fe de Bogota — Dignity For Colombia, the clandestine organization that kidnapped architect Juan Carlos Gaviria Trujillo, today denied that it was involved in an attack against lawyer William Rodriguez Abadia, the son of Miguel Rodriguez Orejuela. Rodriguez Abadia was wounded and six persons were killed on Friday during an attack in the Santa Monica neighborhood in Cali.

The organization denied claims made by people who have called the news media claiming the group's responsibility for the attack against Rodriguez Abadia, in addition to the murder of Alvarez Hurtado and the vandalism of a sculpture made by artist Fernando Botero, which was displayed in the San Antonio neighborhood of Medellin.

We are responsible for the Cansino attack, Commander Bochica admitted in a communique that had the signature and fingerprint of Juan Carlos Gaviria, the kidnapped brother of former President Cesar Gaviria Trujillo, and was sent to Caracol headquarters in Cali.

Colombia: Group Threatens To Murder Gaviria's Brother

PA2805194596 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1504 GMT 28 May 96

[Interview with Radio Reloj reporter Carlos Humberto Castillo by unidentified reporter; place and date not given]

[FBIS Translated Text] [Unidentified reporter] Carlos Humberto Castillo, a reporter from Radio Reloj, a Caracol Network affiliate in Tulua, has been released. The Dignity for Colombia Movement has released him. Carlos Humberto, welcome to freedom.

[Castillo] Thank you. I want to take advantage of this opportunity to send a message to my family: I am fine and am here in Cali. There are no problems. I was already released.

[Reporter] Did you remain in the hands of the Dignity for Colombia Movement for 36 hours?

[Castillo] Yes. They kidnapped me on 26 May at 2050, and I believe 0900 today [words indistinct].

[Reporter] How were you treated?

[Castillo] They treated me well [words indistinct] they told me that there were no problems, that it was an invitation, that I should not view it as a kidnapping, that I should carry a message for the government, specifically for former President Cesar Gaviria Trujillo.

[Reporter] What is the movement proposing to President Gaviria? What is the proposal?

[Castillo] The specific proposal.... [pauses] according to the information contained in the Dignity for Colombia Movement bulletin.... [pauses] what somebody wearing a hood, of course, told me last night is that President Gaviria must participate in the debate the Chamber of Representatives will hold, that President Ernesto Samper, as well as Humberto de la Calle Lombana and Prosecutor General Alfonso Valdivieso Sarmiento must be declared dishonorable.

[Reporter] In short, Castillo, who works for Caracol Network in Tulua, has been released. The movement has made an alternative proposal to the plenum of the Chamber of Representatives to finally accuse President Samper, as the president of Colombia, before the Senate for dishonorable behavior.

There is a long, five-page communique in which the Dignity for Colombia Movement has stated that these are its conditions to respect the life of Juan Carlos Gaviria Trujillo, the brother of the OAS secretary general. The communique also has stated that the movement will proceed to murder the former president's brother if these conditions are not met, adding that other people involved in the case who vote for acquitting Samper also will be executed.

Colombia: Senate Passes Bill on New Security Commission

PA2505000196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2330 GMT 22 May 96

[Report by Sergio Castillo; from the "RCN Radio Events" newscast]

[FBIS Translated Text] Following an intense debate, the Senate passed a bill establishing norms aimed at eradicating crimes against personal liberty, especially kidnapings and extortion. The Senate also made some observations.

A communique from the Justice Ministry indicates that the bill calls for the creation of a National Council To Struggle Against Kidnapings and Other Attacks on Personal Liberty [Consejo Nacional de Lucha contra el Secuestro y demas Atentados contra la Libertad Personal — Conase] as an advisory body of the government.

The bill also calls for the legal institutionalization of the presidential program for personal defense and

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liberty; the replacing of anti-kidnaping units by so-called Unified Action Groups for Personal Liberty [Grupos de Accion Unificada por la Libertad Personal]; and the creation by the Superior Juridical Council of local prosecutors and other officials required by the Prosecutor General's Office to foster the investigation of crimes.

The bill also envisages the restructuring of the National Defense Ministry and the Administrative Department of Security and for the creation of the National Fund for the Defense of Personal Liberty [words indistinct] special; for the Administrative Department of the Presidency of the Republic to pay rewards to persons who supply adequate information to find or identify kidnapers or to find the victim of a kidnaping; and to operation [words indistinct].

The bill also states that the national government finds it necessary to strengthen the units that fight kidnapings and extortion and to supply them with precise functions in line with the current situation so that state organizations acting together may coordinate an integrated criminal policy to efficiently fight crimes that go against the liberty of people and to assure successful legal investigations.

Colombia: Creation of Army Battalion in Uraba Proposed

PA2605025996 Santa Fe de Bogota EL TIEMPO in Spanish 23 May 96

[Received via Internet]

[FBIS Translated Text] Quibdo — With the purpose of fighting guerrilla groups, paramilitary groups, and drug traffickers operating in Choco Department, a special Security Council meeting held here has proposed the creation of an Army battalion in Quibdo.

Commanders of the 4th, 8th, and 17th Brigades, and local officials have chaired the council.

The presence of this battalion in Quibdo would support the work the Task Force operating under the 4th Brigade is doing.

Fourth Brigade Commander General Alfonso Manosalva Florez has said the solution to the public order problem is the installing of two naval bases, one in Quibdo and the other in Riosucio, in Choco's Uraba region.

Furthermore, the military men and Choco community leaders have analyzed the extension of the conflict of the Uraba regions in Antioquia and Choco Departments, the lack of surveillance along the Pacific Coast, kidnappings near the San Juan River area, and guerrilla actions.

Police Commander Colonel Rigoberto Ojeda Prieto has said the lack of naval forces surveillance, both in the Atlantic and the Pacific, creates insecurity and allows the free movement of subversive groups.

Paramilitary groups also have been detected in Acandi, Unguia, and Riosucio Districts.

Authorities have said the recent massacre in Jurado is linked to those groups of northern Choco.

Poverty and floods are no longer the only forms of violence punishing Choco Department.

It now encounters paramilitary groups, guerrillas, massacres, and drug trafficking. During the last few days, the decision by the Panamanian Government to authorize the presence of U.S. forces in Darien also was a cause of concern at border towns.

There is not one Army battalion throughout the entire department, but recent violence has prompted a special Security Council meeting presided over by commanders of the 4th, 8th, and 17th Brigades, and local authorities.

The transfer of the conflict from the Uraba region of Antioquia to the Uraba region of Choco, the lack of surveillance along the Pacific Coast, kidnappings in the San Juan River area, and the presence of guerrillas were, among others, the subjects analyzed.

Fourth Brigade Commander General Alfonso Manosalva Florez has said "establishing control over the Atrato River is our most urgent priority." He has said the solution involves the creation of two naval bases, one in Quibdo and one in Riosucio (in the Uraba region of Choco). A proposal was drafted for this purpose and is now in the hands of the Defense Ministry and the military forces command.

There also is a project to create a battalion headquartered in Quibdo that would expand upon the work being done by Choco's Task Force operating under the command of the 4th Brigade.

Choco Police Commander Colonel Rigoberto Ojeda Prieto has said river patrols also are necessary along the San Juan River. He also has said inadequate surveillance by the naval force, both on the Atlantic and on the Pacific, has a lot to do with the lack of security and the free movement of guerrilla groups in those areas.

The presence of paramilitary groups has been detected in the municipalities of Choco's Uraba region such as Acandi, Unguia, and Riosucio, all considered guerrilla zones. Ojeda has said the recent massacre in Jurado is related to those groups in northern Choco.

Authorities claim that clashes between self-defense groups and guerrillas are an extension of the conflict

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in Antioquia's Uraba region. Moreover, the presence of drug traffickers who have established their operation centers in this zone under guerrilla protection has not been ruled out.

A year and a half ago, the Prosecutor General's Office and the Navy destroyed four hectares of coca near the urban area in Bahia Solano, according to Yessid Perea, director of the Technical Investigations Group in Choco.

Recent developments along the border with Panama, after the arrival of U.S. military troops to support the efforts of that neighboring country in the detection of drug trafficking routes, have heightened tension seen in municipalities in the Uraba region of Choco.

Governor Franklin Mosquera Montoya has said the "absence of the Navy has allowed this area to become a free port for the trafficking of illegal drugs and arms through clandestine airports."

Landing strips have not been detected along the Colombian side of the Darien as confirmed by Brigadier General Rito Alejo del Rio, commander of the 17th Brigade, who is in charge of keeping public order in the Uraba region of Antioquia and Choco. He has admitted the presence of drug trafficking but, rather, on the Panamanian side.

Colombia: Peasants Warned of Being 'Used' by Guerrillas

PA2605131196 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 25 May 96

[Report by Eugenio Correa; from "The Midday Newscast"]

[FBIS Translated Text] Medellin — Brigadier General (Alfonso Manosalva Flores), Medellin's 4th Brigade commander, has called on Antioquia Department peasant communities not to let themselves be used by narcoguerrillas and paramilitary groups. The high-ranking officer said that this attitude jeopardizes their safety and puts them at odds with the law.

[Begin (Manosalva) recording] This is really a call for them not to let themselves be involved with [word indistinct] organizations or the militias as liaisons or any kind of support, because this attitude harms the population a great deal. We have seen, unfortunately, these cases occur in the past, and they are occurring here today as isolated incidents. The narcoguerrillas are using them, and they definitely are acting above the law. This is a very serious problem because they are from a very good community, an enterprising community that requires peace to move forward. However, insofar as they align themselves with these illegal organizations, regardless of what they are, they are most certainly jeopardizing their own safety. [end recording]

The Army will not allow certain communities to play on both sides of the fence — to work with the government and the guerrillas — because, with this attitude, the Colombian countryside is adversely affected, Gen. (Manosalva) pointed out.

Colombia: Social Leap Plan Cut by 3.5 Trillion Pesos

PA2705143596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 24 May 96

[From the "National" newscast monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT on 25 May; all speakers identified by caption]

[FBIS Translated Text] [Unidentified reporter] A large portion of the program called Social Leap will remain on paper. Tax dodgers and a program the government established to avoid a financial collapse are to blame for a reduction of the Social Leap.

[Begin Planning Director Juan Carlos Ramirez recording] The reduction will be distributed among all areas of the Social Leap. [end recording]

[Reporter] A total of 3.5 trillion pesos will not be invested in the next three years. This money would have been enough to build the famous interoceanic canal proposed by President Samper. In the education arena, creation of Grade Zero and extension of high school will be suspended; in the health care field, free medical services for the poor will be reduced; in the agricultural sector, purchase of land for agrarian reform will be suspended; and investments to expedite work at judicial offices and the construction of (?federal) highways will also be affected by this huge cut.

[Begin recording] [Conservative Senator Juan Camilo Restrepo] This is the best example of the government's improvisation and poor programming with regard to the budget and of the exaggerated announcements of public expenditures that lack any backing.

[Ramirez] I think that a 10-percent cut on total Social Leap investments is good if one takes into account that this is an extremely ambitious plan. [end recording]

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Colombia: Minister on Privatization of Energy Sector

PA2705165596 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1832 GMT 26 May 96

[FBIS Translated Text] Santa Fe de Bogota — Clear and convincing manifestations by many investors regarding [words indistinct] in two of the most important businessmen's forums in the world. Mines and Energy Minister Rodrigo Villamizar, who just returned to Colombia affirmed that his mission to the United States was very positive. Villamizar said he was surprised how despite Colombia's negative image and a misinterpretation of its political crisis in the exterior, Colombia is the object of strong praise regarding what it has accomplished, not what it is about to accomplish.

In La Jolla, California, and in New York, where the most important [word indistinct], distributors, and [words indistinct] the American entrepreneurs.

It has become evident that privatization processes in Mexico, Brazil, Chile, and Argentina, despite having aroused such great expectations throughout the world, have not been as satisfying as investors expected, Minister Villamizar expressed.

To the contrary, Colombia is the object of clear distinctions and that is why we are wholly optimistic regarding the successful sale of the energy sector assets, because in these meetings we sensed the real interest of many investors to come to Colombia, not only in the energy sector, but in the mining and energy sector in general, Minister Villamizar emphasized.

Colombia: Minister Inspects Coca Plantations in Guaviare

PA2505004996 Santa Fe de Bogota EL TIEMPO in Spanish 24 May 96

[Received via Internet]

[FBIS Translated Text] San Jose, Guaviare Department — Yesterday, Justice Minister Carlos Medellin stood in the Guaviare Jungle, in the middle of a burned-down cocaine plantation, carrying a revolver in his belt and being briefed about terrorist plans by guerrillas and the difficult public order situation that exists in the area.

Medellin, wearing a narcotics police hat and hiking boots, also saw for himself the effectiveness of glyphosate and the high risk the police face in operations to eradicate the illicit crops in the San Jose area.

As proof of the danger to which the narcotics units are exposed, Narcotics Police Director Colonel Leonardo Gallego told Medellin about the latest guerrilla attacks. Two of these attacks were perpetrated against U.S. experts who were supervising the degree of the destruction of the coca plantations.

In addition to Medellin and Gallego, National Drug Council Director Joaquin Polo Montalvan and other Justice Ministry officials visited the coca plantation sites.

At the San Jose Narcotics Base, Col. Gallego told Medellin the guerrilla fronts operating in Guaviare are preparing armed roadblocks as a reprisal for the resumption of fumigations in the coca plantation areas, the controls on cement and gasoline, and because the department was included in the special zone for public order.

"Intelligence reports and traced communications revealed the existence of rebel plans for roadblocks, but all the authorities are informed, and measures will be taken to prevent and control any illicit action," Gallego stated.

Afterward, in the middle of a vast land and air security operation, Medellin went to one of the coca plantations and checked how the glyphosate reduces the coca plants to burned shrubs.

Agreement on Numbers

There, Medellin disclosed that in view of the discrepancy between U.S. authorities and the Colombian Government over the number of fumigated hectares, the sides reached an agreement 15 days ago.

"U.S. officials and the police have reached an agreement on the method to verify the crops' destruction. Now, U.S. satellite and field readings are being made to corroborate the effectiveness of the eradication," he said.

Medellin said that the U.S. experts visited the zone and did not just corroborate the state the fumigated coca was left in, but also saw the tension and danger that Colombian authorities in charge of the eradication of crops face.

Col. Gallego explained that two months ago guerrillas inside the jungle fired at an airplane that had just taken off from the San Jose base carrying three U.S. experts. "The plane was not hit by bullets," he said.

Another attack took place on 6 May. "During a visit some U.S. officials made to the coca plantations, guerrillas inside the jungle attacked the police escort command, but at no time were their lives in peril," Gallego affirmed.

After flying over Rio Guaviare, Medellin returned to Bogota without the revolver in his belt, but with several coca twigs.

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Ecuador

Ecuador: Minister Urges 'Force and Action' on MOMEP

PY2805193196 Quito Voz de Los Andes in Spanish 1700 GMT 28 May 96

[FBIS Translated Text] Ecuadoran Defense Minister Alfonso Alarcon has asked for force and action on the part of Argentina, Brazil, Chile, and the United States to once and for all decide on the procedures for the third stage of the Ecuador-Peru Military Observers' Mission, MOMEP.

As an Ecuadoran citizen, I want to ask the guarantor countries for more force and action, seeking the approval of the procedures as soon as possible. I believe the guarantor countries must make a greater effort to achieve the approval of the procedures as soon as possible to allow the MOMEP to work with greater freedom, Alarcon said.

Referring to the establishment of procedures by MOMEP-3, Chilean Ambassador to Quito Roberto Pizarro said that these procedures are not so dramatic or controversial. The important thing is that the MOMEP is working, he said.

After saying that he is unaware of the details being discussed at the military level concerning the MOMEP-3 operation, Pizarro said that this will be solved, but the MOMEP is working at the moment, and that is important.

Brazilian Ambassador to Quito Osmar Choffi has said that the peace process is proceeding on schedule with no problems whatsoever. We should not expect spectacular initiatives at all times. If there are no talks on the process, it is because it is going well, he said.

The process is based on dialogue among the four guarantor countries and Ecuador and Peru, and on the fact that everything is accepted by mutual agreement, the Chilean ambassador said. He added that the fact that the procedures for the action of the MOMEP-3 have not yet been established is not a setback, because when appropriate, and as demanded by circumstances, we will have new rules.

The Brazilian ambassador said that the guarantor countries have great respect for the sovereignty and dignity of both Ecuador and Peru, and for this reason we do not exert pressure on either of the two parties.

Ecuador: President To Invite Peru's Fujimori To Visit

PY2905014596 Madrid EFE in Spanish 1416 GMT 28 May 96

[FBIS Translated Text] Quito, 28 May (EFE) — Ecuadoran President Sixto Duran-Ballen will invite his Peruvian counterpart Alberto Fujimori to attend the presidential inauguration scheduled to be held in this Andean country on 10 August.

Duran-Ballen said: "An official invitation will be extended to the Peruvian president and to the other American presidents. I am sure that Fujimori will come to Ecuador as he did to attend previous meetings, and in response to my visit to Trujillo, Peru."

Fujimori visited Quito on the occasion of the meeting held by the Rio Group and Andean member countries in this capital in September 1995, seven months after the end of the undeclared war between Ecuador and Peru over the territory which has no border markers on their common Amazon border.

After four years of mandate, on 10 August Duran-Ballen will transfer power to his successor who will be elected in the 7 July runoff elections. Social Christian Party candidate Jaime Nebot and populist Abdala Bucaram will run for president.

Ecuador: European Renewal of Tariff Preferences Announced

PY2905014896 Quito Voz de Los Andes in Spanish 1700 GMT 28 May 96

[FBIS Translated Excerpt] Industry, Commerce, Integration and Fisheries Minister Jose Vicente Maldonado reported today that the permanent representatives of the European countries decided last week to renew the tariff preferences for Ecuadoran agricultural and sea products.

Maldonado said that the European Commission decision will be in force until December 1999. The tariff preferences will benefit Ecuador because shrimp, tuna, and flowers will enter that market again. He pointed out that the European countries also decided to cooperate in the development of the Andean Pact, to support the struggle against drug trafficking, and to help in the coordination of the subregion. [passage omitted]

Also Minister Maldonado, who recently paid an official visit to Brazil, held several meetings with Brazilian officials of the Foreign Trade Department, and the Foreign and Agriculture Ministries. The meetings served to sign a fishing agreement as well as technical cooperation agreements to develop handicrafts and small industries in Ecuador. Minister Maldonado and the Brazilian

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officials also discussed the Ecuadoran sale of bananas, quotas for tuna, freight costs, and negotiations with Mercosur [Common Market of the South]. [passage omitted]

Ecuador: Bucaram Garners Support for Presidency Bid

PY2805171296 Madrid EFE in Spanish 0016 GMT 28 May 96

[FBIS Translated Text] On 27 May populist candidate Abdala Bucaram obtained the political support of the center-leftist Ecuadoran Revolutionary Popular Action [APRE] for his candidacy to the presidency of the Republic.

Bucaram and rightist leader Jaime Nebot will participate in the 7 July final runoff to elect a successor to conservative President Sixto Duran-Ballen. The two candidates held intensive meetings last weekend with several political sectors and leaders, but Bucaram obtained the first victory in his effort to garner electoral support.

Bucaram and retired General Frank Vargas signed the agreement reached with the APRE, based on 12 concurrent points. Vargas, a former presidential candidate and top leader of the APRE, ran fifth in the 19 May presidential elections.

The agreement establishes that if Bucaram wins the presidency, he will have to work to achieve "a peace with dignity and respect for national sovereignty" with Peru.

Ecuador and Peru are engaged in a territorial conflict in the headwaters of the Cenepa River valley, in an inhospitable Amazon region, where they waged a war between 26 January and 28 February 1995.

The concurrent points include the implementation of "a new development model; defense and modernization of strategic areas of the national economy; reorganization and strengthening of the social security system; and support of education, agriculture, and health, among others."

Vargas stated: "We have analyzed the local political situation, in view of the runoff elections, and, taking into account situations that are essential for the living conditions of our people, we have decided to support candidate Bucaram in the runoff." He said that the decision is based on the document that outlines the 12 points of the agreement.

Ecuador: DP Members Urged To Vote 'Conscience'

PY2905031096 Quito Voz de Los Andes in Spanish 1700 GMT 28 May 96

[FBIS Translated Text] On the afternoon of 27 May, the APRE [Ecuadoran Revolutionary Popular Action] led by retired General Frank Vargas, a former presidential candidate, signed an agreement by which it decided to support the candidacy of Abdala Bucaram Ortiz in the 7 July runoff.

Today, Popular Democracy Party [DP] President Absalon Rocha decided to establish the procedure and position that will be adopted by his party in the runoff election.

[Begin Rocha recording] The DP last night decided not to support either of the two candidates which have won the right to dispute the runoff, and to forbid its members to participate in the campaign of either of the two candidates. Concerning legislators, they have been authorized to begin the organization of the bloc and surely the dialogue to reach an agreement and to organize the national Congress in the best manner possible.

Concerning the vote, and respecting the individual conscience of each party member, it was said that they will vote according to their own conscience as they reach the balloting stations. The possibility of casting blank votes or of nullifying their vote has been denied, because it would mean avoiding their own responsibility. Since we have no candidate and because morally we as a party cannot support either of the two candidates, the just thing would be to respect — not to give freedom, no — to respect the conscience of each individual to fulfill his civilian right. [end recording]

Ecuador: Candidates' Campaigns in Chimborazo Viewed

96SM0292G Quito HOY in Spanish 10 May 96

[Article by Maria Gabriela Paz y Mino: "They Missed a Detail in Chimborazo" — received via Internet]

[FBIS Translated Text] The Social Christians thought of everything. Every detail was ready for the day on which Jaime Nebot would visit the villages in Chimborazo. Posters and stickers were distributed to the people and affixed to poles, coats of yellow paint covered houses and shacks, platforms and loudspeakers awaited the candidate in each village, and broadcast messages reminded people constantly that, on that day, "the future president of Ecuador" would be with them.

Everything was ready, except for one small detail: when Nebot was about to enter the community of Lirio, in

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Colta, a black cloud darkened the scene. A few moments later rain fell in the small village, soaking signs and posters, and delaying the candidate's arrival.

The Indians interpreted the storm as an omen and — although Nebot was able to arrive a little later than planned and shake a few hands — in the midst of a strange atmosphere that neither he nor his friends was able to understand, the water carried off more than one sure vote from that community.

Turnings

With rain and all the rest, what happened in Lirio changed nothing in the predictions of the polls that have the candidate at six or fewer points from Freddy Ehlers — "almost a technical tie," says Victor Hugo Arellano, from Radio ERPE in Riobamba.

In Chimborazo, according to Arellano, the poncho and the sombrero were able to bring together for a single purpose — voting — voters from the countryside: where the image of Ehlers draws support beyond the strength of the organized Indian movement; with voters from the city: where, for local positions, support passed from the MPD [Democratic People's Movement] to the Civic Action Movement for Chimborazo (led by ex-Minister Abraham Romero, now candidate for mayor of Riobamba).

The explanation? "Ehlers' success is due to the way he works: he does not climb up on a platform and give a speech; but, as Monsignor Proano used to do, he has dialogues with the people, he goes to the communities and listens to their needs." Also important, especially among the people from the ONG1/2s [as published; expansion unknown] (which in Riobamba alone number more than 140), is "his image as a man who is well known and who has national and international contacts, who can bring in resources for one of the country's poorest provinces."

Rodrigo Paz is not "catching on" in Chimborazo. Less than the PRE [Ecuadoran Roldosist Party] which — having selected its local candidates with care and, because of the "bloc effect" (of the 10 percent of the people who vote en bloc in Chimborazo, 60 percent do so for PRE candidates) — draws more votes in this province. The DP [Popular Democracy Party] has few illusions.

Three Worlds

In Chimborazo — the province with the highest infant death rate and demographic pressure in the country — electoral behavior is determined by three realities: the city, the cantons, and the rural parishes. In those three worlds, the vote is determined by different factors. Close friendships and the boss system have not lost ground in the rural sector. In Chunchi, for example, most of the Indians vote for the son of the owner of the old estate.

Prejudices survive in the city: Miguel Lluco, Indian candidate for provincial deputy, is not able to win support, although people recognize that he is a "well-educated Indian." In the three sectors, the young count for little with the politicians, except "when it comes to putting up posters," says Victor Hugo Arellano.

Paraguay

Paraguay: Wasmosy Relieves, Retires Two More Generals

PY2505034196 Asuncion NOTICIAS in Spanish 19 May 96 p 7

[FBIS Translated Text] [President] Juan Carlos Wasmosy, commander in chief of the Armed Forces, has unexpectedly made a move and relieved two other generals of their positions — Juan Simon Paredes and Abelardo Vera, who went into retirement. In the speech he delivered on 22 April, the head of state had clearly sounded an alert to the fact that the attitude adopted by [former Army Commander] General [Lino] Oviedo [retired] and those who support him "compromise the military career" of the military personnel in question and of all those who refuse to obey an order made by the commander in chief of the Armed Forces.

With this move, the president clearly shows that he is willing to take the necessary measures, if need be, to bring his subordinates to heel — something which he has found difficult to do throughout his tenure.

The head of state's attitude showed, above all, the attempt at institutionalizing the Armed Forces by removing those officers who disobey military laws and only wish to remain in the Armed Forces to obey certain directives.

There are several officers who have been placed at the disposal of the commander in chief, including Generals Pedro Fernandez Torres Martinez, Hector Adriano Ocampos, and Abilio Gimenez, as well as Vice Admiral Ramon Legal Basualdo, among others.

Paraguay: Defense Minister Departs For Poland 23 May

PY2705212296 Asuncion ULTIMA HORA in Spanish 23 May 96 p 5

[FBIS Translated Text] Defense Minister Hugo Estigarribia Elizeche and Air Force Commander General Cesar Cramer left for Warsaw, Poland on the morning of 23

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May with the goal of meeting staff members of an industrial concern involved in manufacturing military aircraft and helicopters.

Colonel Carlos Ovando, the spokesman for the Military Forces, has reported that the Panstwowe Zaklady Lotnicze Warszawa-Okecie, Inc. company would be interested in investing in our country by establishing an aircraft and helicopter assembly plant and an aircraft spare parts sales office for Latin America.

The political status gained by the Air Force after its decisive support for the institutional system during the 22 April crisis would be used on this occasion for achieving a significant assistance for this branch of the Armed Forces. The establishment of an aircraft plant in our country would pave the way for securing more aircraft and for training Air Force personnel.

Paraguay: 'Oviedoist' Officers Said Wanted Removed

PY2805013096 Asuncion ULTIMA HORA in Spanish 25 May 96 p 2

[FBIS Translated Text] Unofficial Armed Forces sources have announced that the Air Force and Navy leaders are displeased over the presence in key military posts of officers who were loyal to General Lino Oviedo, retired, or failed to take a decisive stance during the [22 April military-civilian] crisis. These leaders explained that the Air Force and Navy officers are noticing that the changes that have been introduced are insufficient and that a major opportunity for implementing significant internal reforms is being missed.

At 0800 on 27 May, General Juan E. Gonzalez Maldonado will be installed as the new 1st Army Corps commander. He will replace General Santiago Zaracho, who will go into retirement. The installation ceremony will be held at the 4th Cavalry Regiment, headquartered in Loma Pyta.

General Pablo Ydoyaga, Armed Forces joint chief of staff; Defense Vice Minister General Pedro Hugo Canete; General Cirilo Velazquez, 1st Infantry Division commander; and Colonel Hugo Diaz Cano, Mariscal Francisco Solano Lopez Military School commander, have been strongly challenged.

The Navy and the Air Force understand that in no way can Col. Diaz Cano head an institution that trains military officers.

Our sources pointed out that the animosity against this colonel has been prompted by the fact that, during the coup attempt, he was the 2d Cavalry Regiment commander and had allegedly expressed allegiance to Oviedo.

Gen. Ydoyaga is also not well accepted. Our sources reported that during the latest meeting at the office of the Armed Forces commander in chief, it was mentioned that it is not appropriate for this general to remain in his current post. Therefore, his removal was proposed. Military Forces Commander General Silvio Noguera (who is also an Army officer, as Ydoyaga) and Army Commander General Oscar Diaz Delmas staunchly rejected this proposal.

Our sources pointed out that the same situation applies to Gen. Canete. Gen. Canete played a key role during the military crisis of 18 December 1994 when Gen. Oviedo attempted to install him as 1st Infantry Division commander, replacing General Carlos Ayala, who clearly disagreed with the former Army commander.

The officers who are loyal to President Juan Carlos Wasmosy also requested the removal of Gen. Velazquez, who, during the Oviedoist insubordination, was the commander of the strategic 1st Infantry Division. Gen. Velazquez still remains in this post.

Paraguay: Army Commander Supports Political Process

PY2805031196 Asuncion ULTIMA HORA in Spanish 27 May 96 p 2

[FBIS Translated Text] Army Commander General Oscar Diaz Delmas this morning pointed out that the Armed Forces are sharing the local political process to achieve enhanced justice and national harmony. He asked the society for understanding over the changes being implemented to achieve institutionalized and professional Armed Forces.

Diaz Delmas presided over General Juan Gonzalez Maldonado's installation ceremony as 1st Army Corps commander at the "Aca Caraya" No. 4 Cavalry Regiment headquarters.

Diaz Delmas pointed out that Paraguay, through the Paraguayan citizens' overwhelming determination, has decided to enjoy the benefits of democratic life by adjusting not only Paraguayan institutions, but by introducing a systematic change in the attitude of Paraguayan inhabitants. He pointed out that a similar phenomenon is currently taking place within the Armed Forces.

Sharing the Process

Diaz Delmas noted: "The Armed Forces are sharing with faith and enthusiasm this relentless dynamic action for enhancing justice, national harmony, and the well-being of all Paraguayans. At this moment, it is imperative for the society to understand this phenomenon and to acknowledge the efforts that the Armed Forces

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have made to modernize themselves and enhance their institutionalization process and professional level."

Paraguay: Uruguayan Editor Jailed for Offending Wasmosy

PY2405223996 Asuncion ABC COLOR in Spanish 24 May 96 p 6

[FBIS Translated Excerpt] Federico Fasano Mertens, director of the newspaper LA REPUBLICA of Montevideo, Uruguay; and his brother, Chief Editor Carlos Fasano were sentenced yesterday — in an unprecedented measure — to two years imprisonment for the crime of "offending the honor of a foreign president" in a lawsuit filed by Paraguayan President Juan Carlos Wasmosy. The court also issued arrest warrants against Paraguayan engineer Ricardo Canese and Argentine journalist Pedro Casademunt.

Judge Zulma Casanova issued the ruling based on Article 138 of the Penal Code. This legal instrument establishes penalties of two to nine years for those guilty of "offending the honor of a foreign president."

The lawsuit was filed by Paraguayan Ambassador to Montevideo Julio Cesar Schupp, who was assisted by attorney Amadeo Otatti. Staff members of LA REPUBLICA have said Otatti was an element of the previous Uruguayan political regime.

The leftist newspaper LA REPUBLICA accused President Juan Carlos Wasmosy, through a series of journalistic articles, of being involved in alleged acts of corruption during the construction of the Itaipu hydroelectric dam project. [passage omitted]

Judge Casanova also ordered the international detention of Paraguayan engineer Ricardo Canese and Argentine LA NACION newspaper journalist Pedro Casademunt.

Uruguayan lawyers say the judge requested the arrest of Canese and Casademunt, in any country, in order to start the process of extradition and to process both in Uruguay, considering a judge cannot sentence anyone in absence. This measure has no precedent, according to the Uruguayan lawyers.

Uruguayan legislators have started to analyze the case. Meanwhile, Federico and Carlos Fasano began their sentences at Montevideo's central prison as of the end of the trial, which lasted five hours. The trial was filmed in its entirety by Montevideo's Channel 4 television.

His newspaper said the director of LA REPUBLICA has been sued 27 times during his time as director of various communication means and was absolved every time.

Paraguay: Group Demands Release of Uruguayan Editors

PY2705185096 Asuncion ABC COLOR in Spanish 25 May 96 p 4

[FBIS Translated Excerpt] It did not take long for the Inter-American Press Association [SIP] to react. This association, an umbrella group comprised of newspaper owners from throughout the hemisphere, sent a letter to the Uruguayan president on 24 May exhorting him to take action to have the persons taken into custody released.

Federico Fasano, LA REPUBLICA newspaper editor, and Carlos Fasano, LA REPUBLICA chief editor, were arrested on 23 May following charges brought against them by Paraguayan President Juan Carlos Wasmosy. LA REPUBLICA had published several articles implicating the Paraguayan head of state in acts of corruption during the construction of the Itaipu hydropower plant.

Besides writing this letter to the Uruguayan president, Danilo Arbilla, chairman of the SIP information and press freedom committee, lodged a complaint so that all regulations affecting and threatening press freedom in Uruguay will be abrogated.

From his prison cell at Montevideo Police Headquarters jail, the LA REPUBLICA editor pointed out that "we are precluded from reporting the truth."

According to an article published in the Montevideo daily LA REPUBLICA, in which there was comprehensive coverage of the detention of its chief editor, Fasano argues that his arrest spells "the end of journalism." [passage omitted]

Paraguay: Journalists Support Uruguayan Counterparts

PY2705191396 Asuncion ULTIMA HORA in Spanish 25 May 96 p 9

[FBIS Translated Text] The Paraguayan Journalists Union (SPP) issued a communique on the imprisonment of two Uruguayan journalists accused of slandering Paraguayan President Juan Carlos Wasmosy. The communique states: "The arbitrary and biased use of the law as a dangerous tool to prevent journalists from reporting is the fashionable approach in several countries of the region, including Paraguay."

Judge Zulema Casanova sentenced Uruguayan journalists Federico Fassano Martens and Enrique Alonso Hernandez of the Montevideo newspaper LA REPUBLICA to serve two years in prison for articles offensive to

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the head of state of a friendly nation. The articles implicated President Wasmosy in corrupt practices during the building of the Itaipu hydroelectric dam.

The SPP feels that Judge Zulema Casanova disregarded universal principles such as freedom of expression, freedom of opinion, and freedom of the press.

The SPP indicated that offending a public figure cannot be regarded as a crime without violating the basic freedom of expression and of the press. Thus, the SPP labeled this development a bad precedent for Uruguayan and Paraguayan people and journalists.

The communique added that in Paraguay there are also journalists who have been sued by President Wasmosy's corporations, to stop them from reporting on the corruption in Itaipu and other projects. "Such are the cases of: Victor Benitez, who served a sentence at the Tacumbu Prison; journalist and engineer Ricardo Canese, who has been unable to leave the country for two years now because of a restraining order; Dolly Galeano, former ULTIMA HORA correspondent in Ciudad del Este, who is being sued by the Conempa Company; and journalist Jose Amarilla, who is also being sued by Conempa," the communique stated.

Paraguay: Colorado Party Speaker Views 'Neoliberalism'

PY2705202096 Asuncion ABC COLOR in Spanish 21 May 96 p 9

[FBIS Translated Text] Julio Cesar Frutos, speaking on behalf of the Colorado Party at the anniversary of party founder Bernardino Caballero's birth, openly criticized the economic policy of the Paraguayan administration.

Under the watchful eye of Paraguayan President Juan Carlos Wasmosy, and the approving gestures of new Colorado Party President Luis Maria Argana, Frutos said that neoliberalism is the new disguise of economic liberalism, which epitomizes "conservatism and lack of social awareness."

"These two aspects go against the historical doctrine of the Colorado Party outlined by (Ignacio A.) Pane and Fulgenico R. Moreno, who, as early as 1902, already labeled them useless museum pieces as far as extricating the people from poverty is concerned," Frutos said.

The Colorado Reconciliation Movement faction has been harshly criticizing the administration's economic policy since 1993. Frutos is one of this faction's top leaders, so his remarks show that under Argana the Colorado Party will pressure the executive branch to change course.

"The future policy of the Colorado Party should not stray away from its roots. Our modern, or postmodern, approach should remain faithful to our republican identity," Frutos stated.

Uruguay

Uruguay: President's Popularity Said Waning

PY2705212596 Montevideo EL OBSERVADOR in Spanish 15 May 96 p 7

[FBIS Summary] Under the heading "Opposition's Support for the Sanguinetti Administration Flags; Government's Popularity Tumbles by Four Points," carries a 550-word article on the results of a public opinion poll conducted by Equipos Consultores. The nationwide poll of 1,000 people between 12 and 25 April showed that nearly one-quarter of the survey sample — 23 percent — approved of the incumbent administration whereas more than two fifths — 42 percent — disapproved of it. The resulting balance is clearly negative and shows that one-fifth of Uruguayans — 20 percent— disapprove of the present administration. President Julio Maria Sanguinetti's popularity thus declined by four points in the previous month. The March survey gave President Sanguinetti a 42-percent disapproval rate against a 27-percent approval rate. Equipos Consultores Asociados reported that as usual, support for the head of state was found among his fellow party members from the Colorado Party and those who defined themselves as belonging to the Right. As for age and socio-economic groups, the public opinion survey found that Sanguinetti continues to command support from the low classes having a low standard of education and from Uruguayans over 60 years of age. The president's dwindling popularity is seemingly due to the little support he obtains from the leftist opposition parties Broad Front and New Sector Coalition, and the rightist Blanco Party.

Uruguay: Court Confirms Death of Former Chilean Agent

PY2405212196 Buenos Aires TELAM in Spanish 1451 GMT 24 May 96

[FBIS Translated Text] Montevideo, 24 May (TELAM-SNI) — Uruguayan Judge Aida Vera Barretto confirmed today that the dental tests carried out on a body found last year on a beach show it was that of former Chilean secret agent Eugenio Berrios, who was sought by Chilean justice for his participation in the assassination of Foreign Minister Orlando Letelier in 1973.

A judicial source said: "The comparison of Berrios' dental records and those of the remains found at the Pinar resort in April 1995 were positive, which helped identify the body."

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Eugenio Berrios, a Chilean biologist who was involved in the production of Sarin gas and who was a member of the secret police during Augusto Pinochet's regime, lived as a refugee in Uruguay between 1991 and 1993 under the protection of Uruguayan and Chilean intelligence services.

In 1992, Berrios appeared at a police station at the Parque de Plata resort (50 km from Montevideo), claiming he had been kidnapped by Chilean military men, adding that Pinochet ordered his death. He subsequently disappeared.

The Berrios case provoked a political crisis during the administration of Luis Alberto Lacalle in 1993 when it was reported that the former agent lived in Uruguay under the protection of local intelligence services, which provoked the resignation of then Defense Minister Mariano Brito.

Venezuela

Venezuela: Minister Says Stolen Planes Used by Colombia

PA2805134396 Paris AFP in Spanish 2348 GMT 27 May 96

[FBIS Translated Text] Caracas, 27 May (AFP) -- Venezuelan Foreign Minister Miguel Angel Burelli Rivas said today two planes reportedly stolen from the private airline Aerotuy were repainted, their registrations changed, and they were pressed into service by the enterprise Satena, which the Colombian Air Force operates.

The Venezuelan Foreign Ministry tonight made public the remarks Burelli Rivas made while in Cochabamba (Bolivia), where he is participating in the meeting of Rio Group foreign ministers. Burelli Rivas replied to Colombian Defense Minister Juan Carlos Esguerra, who had said in Santa Fe de Bogota that the Colombian Air Force has no planes stolen in Venezuela.

Venezuelan Defense Minister General Moises Orozco Graterol said in San Cristobal, along the border with Colombia, that the Colombian Air Force is using planes stolen from Colombian territory. Satena Airline General Manager Hector Fabio Velasco also has denied these charges.

In Burelli Rivas' remarks, a copy of which were received by AFP, he says: "Regrettably, the report that Venezuelan planes were stolen in Venezuela and flown to Colombia is an unexplainable truth."

"We have frequently asked Colombia, to no avail, to return private planes that had been stolen by narco-guerrillas in Venezuela and apparently assigned to the Colombian Air Force," he said.

"On 6 September 1995, at Narino Palace, the ministers who accompanied Venezuelan President Rafael Caldera (during his official visit to Colombia) discussed with our Colombian counterparts, in the presence of the two presidents, the irritating issue of at least 20 planes reportedly added to the Colombian air fleet."

"President Ernesto Samper appeared to be surprised and right then ordered the DAS (Department of Administrative Security) director to carry out an investigation and to correct any situation," he said.

"Early in the year, the Venezuelan Embassy in Santa Fe de Bogota mentioned to the Colombian Foreign Ministry, on instructions from the Venezuelan Foreign Ministry, the need to return to Venezuela two commercial planes owned by the enterprise Aerotuy that had been hijacked in flight and flown to Colombian territory, from where only the crew and the passengers returned."

"Two months ago, during an OAS meeting in Caracas on corruption, the president of Aerotuy asked the Colombian justice minister and the Colombian ambassador to Caracas to return these two planes, which reportedly had been repainted, the registrations of which had been changed, and which had been handed over to Satena, an enterprise the Colombian Air Force operates," he said.

"The Venezuelan Foreign Ministry, in a note addressed to the Colombian ambassador to Caracas, mentioned the matter again last month and was told it is being processed."

"Consequently, the prerequisites diplomacy requires have been complied with, as the Colombian defense minister has said, in a case that has no reasonable explanation," Burelli Rivas concluded.

Venezuela: Alcalay on Alleged Colombian Use of Aircraft

PA2905041196 Caracas Venezolana de Television Network in Spanish 0230 GMT 29 May 96

[Report by Zulay Rosas]

[FBIS Translated Excerpt] Defense Minister Moises Orozco Graterol confirmed that two Venezuelan airplanes are being used by the Colombian Air Force. [passage omitted]

[Begin Acting Foreign Minister Milos Alcalay recording] We will continue to insist on this topic that has repeatedly been presented by Venezuela and hope that this beginning of a solution serves to completely solve this issue on the return of aircraft and vehicles. [end recording]

The defense minister does not understand that if a presidential decree exists, which was signed by [Colombian

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President] Ernesto Samper himself in September 1995 ordering the return of the vehicles and aircraft stolen in Venezuela, that it has not been complied with.

Regarding the proposal by Colombian guerrillas to hold talks with the Venezuelan authorities, the defense minister said that he will not negotiate with bandits or with people who come to our country to commit misdeeds.

It has been learned that the Colombian Government has sent a message through its embassy in Venezuela informing that at the end of this week, at the latest, one of the airplanes will be returned.

Venezuela: Officials Meet Colombians on Border Situation

PA2805140896 Caracas EL NACIONAL in Spanish 24 May 96 p D9

[Report by Freddy Torres]

[FBIS Translated Text] Early yesterday morning at Fort Tiuna, Acting Venezuelan President Jose Guillermo Andueza, Defense Minister Moises Orzoco Graterol, and other ranking military officers, including General Raul Salazar, chief of the Armed Forces Unified Command (CUFAN), met privately to discuss issues related to insecurity and the military strategy to be applied henceforth.

A governmental source has disclosed that Salazar explained the military issues related to insecurity at the border while Andueza explained the legal viewpoint. It was further disclosed unofficially that all of them "expressed the existing concern for border incidents."

The same source has revealed that the border situation is preoccupying because of very recent attacks, harassments, and invasions into national territory.

Another source from Miraflores Palace has said that Andueza, who was then acting as head of the MRI [Interior Relations Ministry] and not as Venezuelan president, had promised two and a half weeks ago to meet with ranking Army officers to explain and discuss what Venezuela's new policy for the border region will be. That is why, it was said, Andueza attended this meeting along with the defense minister to listen to General Salazar's explanation.

It was disclosed afterward that the Venezuelan Government is willing to seek strategic formulas to deal with the attacks and abuses being committed by criminals and guerrillas operating along the Colombian border.

According to military sources, the possibility of a hot pursuit has not been considered because international agreements and the UN Charter stipulate that this mechanism may be applied only in the event of a conflict between nations.

Venezuela: Caldera, Brazil's Cardoso Sign Communique

PA2405135396 Caracas EL UNIVERSAL in Spanish 21 May 96 p 1-8

[FBIS Translated Text] Venezuelan President Rafael Caldera and Brazilian President Fernando Henrique Cardoso signed yesterday in the Planalto Presidential Palace a joint communique recognizing the progress achieved during the state visit by the Venezuelan president to the neighboring country. Herewith is a summary of the highlights of the document:

The two heads of state expressed their "unyielding resolve to continue expanding bilateral ties within a perspective of integration by implementing specific agreements that have been identified already."

Within the spirit established by La Guzmania Protocol, the two leaders stressed the "tangible and positive" results stemming from the work undertaken by the 11 task groups that coordinate the High Level Binational Commission.

Caldera and Cardoso reaffirmed the enormous importance of the negotiation of a free trade agreement between Venezuela and the four Mercosur [Common Market of the South] countries within the Aladi [Latin American Integration Association] framework with the goal of concluding it "as briefly as possible."

Referring to the socioeconomic measures recently adopted by his counterpart, President Fernando Henrique Cardoso conveyed the Brazilian Government's support for the efforts the Venezuelan Government is making to achieve economic stability.

The two presidents expressed their satisfaction over Brazil's "substantial increase" of purchases of Venezuelan oil, thus placing our country as the third supplier of hydrocarbons of the neighboring country. Moreover, they emphasized their intention to study "greater acquisitions" of Venezuelan by-products and the strategic importance and significance of cooperation between Pdvsa [Venezuelan Petroleum Inc.] and Petrobras [Brazilian Petroleum Company]. Within this context, they regard with optimism the decision by the Venezuelan oil industry to participate in financing a new refinery to be built by Petrobras and in which Pdvsa will be one of the shareholders.

The presidents noted the potential for cooperation that exists between the northern regions of Brazil and the southern regions of Venezuela on energy matters. They

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recommended that Edelca [Caroni River Electrification Project] and Electrobras [expansion unknown] resume their talks in June regarding the Guri-Boa Vista-Manaos electrical interconnection.

Cardoso referred specifically to the creation of a "South American energy zone," as a central element of the complementarity between Venezuela and Brazil.

The two presidents reaffirmed the significance of cooperation in mining and iron and steel industries. They pointed to the high interest given to the implementation of the Understanding Memorandum signed in 1995 that will lead to the utilization of the CVG-Sidor [Venezuelan Guayana Corporation-Orinoco Iron and Steelworks] industrial park by the Brazilian private sector and the tapping of Brazilian experience on engineering and construction projects for deep water ports, railroad lines, and handling of large capacity cargo ships.

The document also makes clear proposals to develop the border region, promote tourism in Venezuela, combat illegal mining, conserve the environment, cooperate on judicial and penal matters, exchange technology and communications, increase the ties between the congresses of the two nations, develop culture as the base for the continuous rapprochement process, and continue bilateral consultations to participate in international forums.

Brasilia Declaration

Caldera and Cardoso also signed the Brasilia Declaration in the Planalto Palace, and herewith are the highlights of it:

"We express our conviction that increasing and expanding the ties of cooperation between the two countries, in a perspective of integration that falls within the spirit of the decisions adopted during the Caracas presidential meeting of 4 July 1995, constitutes a permanent objective of bilateral relations."

"We reaffirm the commitment of the two governments to the democratic regime, a fundamental guarantee to provide the conditions for growth based on social justice and to lay solid foundations for the process of regional integration."

"At the time when our economies are striving to guarantee stability and growth, we voice our willingness to explore to the highest extent possible the immense potential for cooperation that exists between our two countries."

"In this respect, we express our firm decision to establish an area of economic, energy, and mining complementarity between our countries that provides mutual benefits and is guided by the perspective of integration."

"The growing rapprochement between our countries also entails the integration of our border regions, since they would stand to gain by a significant increase of commerce and tourism. These steps forward regarding physical integration and environmental cooperation will be fundamental to ensure the continuity of this process."

"In a world marked by the growing challenges of globalization and regionalization, our (...) reciprocal confidence will constitute an element to strengthen our national economic and social development efforts and a guarantee of a more dynamic and positive presence by our countries in the international scene."

"We are likewise expressing the conviction that the strengthening of our traditional ties of friendship will represent a factor that promotes regional integration efforts aimed at the creation of an integrated area comprising South America, and, from there, hemispheric integration."

"We also reiterate our commitment to strengthen our cultural contacts so as to promote the mutual knowledge of our peoples, languages, and cultures."

Venezuela: Government Pleased With WTO Decision on Gas

PA2405144796 Caracas REPORTE DIARIO DE LA ECONOMIA in Spanish 22 May 96 p 16

[FBIS Translated Text] Venezuela has expressed its satisfaction with the WTO's Board for the Settlement of Disputes decision to officially adopt the reports of the Special Group and the WTO's Court of Appeals, reports which are favorable to Venezuela in its lawsuit related to reformulated gasoline.

The Venezuelan delegation to the WTO underscored the institutional and historic significance of this meeting, because this was the first time that WTO members have met to adopt a report that has been unconditionally accepted by the parties in dispute.

The WTO's Court of Appeals' decision ruled in favor of the lawsuit that Venezuela and Brazil had filed against the United States for discrimination charges. The Venezuelan delegation hailed the WTO for adhering to the plaintiffs' reasoning.

According to a report issued by the Foreign Trade Institute (ICE), the Venezuelan delegation to the WTO stated that as a result, every party has come out a winner since there is more confidence in international trade and more efficient mechanisms for the settling of disputes. This contributes to the credibility of the multilateral trade system and reinforces the commitment to the standards and discipline that were negotiated at the Uruguay Round.

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Likewise, our delegation determined that the reports clearly explain that this was a commercial dispute and that, in essence, it referred to the implementation of an internal regulation opposing the national treatment policy and distorting the conditions of competition for the types of gasoline the United States imports, as opposed to those this country produces.

The Venezuelan delegation also determined that this controversy could have been avoided, because the environmental objectives of the U.S. gasoline regulations could have been achieved in a manner compatible with the WTO agreements. This organization's agreements do not prevent members from putting into practice the environmental policies they deem appropriate.

Our delegation stressed this meeting's institutional and historical meaning, because it was the first time WTO members met to accept a report that the differing parties had accepted without conditions. Finally, it stressed its aspiration that the U.S. Government put into practice, as soon as possible, the recommendations the two institutions made and accept its responsibility to maintain the credibility of these mechanisms and the WTO role.

As the United States accepted the adoption of the two reports, it indicated that it is examining all options at its disposal and said that it was pleased, because it was clearly established that countries have full freedom to adopt the environmental policies they deem advisable for their interests.

Meanwhile, Brazil supported Venezuela and voiced its satisfaction over the results of the meeting, in which the arduous and efficient work of WTO Secretariat was evident, and acknowledged the Special Group and the appeals body's division, which investigated the controversy.

The European Union also expressed its satisfaction over the adoption of the reports and urged the United States to heed the recommendations made as soon as possible, according to the ICE.

The next meeting of the Conflict Resolving Body [Organo de Solucion de Diferencias] is slated for 19 June. In this meeting, the United States must report its intention with regard to the implementation of the recommendations and resolutions.

Venezuela: Cordiplan Minister Speaks to Foreign Investors

PA2505142696 Caracas Venezolana de Television Network in Spanish 1530 GMT 23 May 96

[FBIS Translated Text] Before more than 200 investors in the Council of the Americas meeting in New York, Coordination and Planning Minister Teodoro Petkoff said the Agenda Venezuela program enjoys the political and social support of a vast sector; support that will keep the experience of 1989 from repeating itself.

Petkoff told the foreign investors that Venezuela will use its currency as an anchor to reduce inflation, that the country will not devalue its currency to stop the fiscal gap, and that President Rafael Caldera's program is irreversible.

Inflation will be controlled by keeping the interest rate stable through a band system that will establish the U.S. dollar's floor and ceiling, he added.

Venezuela: Minister on Partial Deregulation of Prices

PA2805135396 Caracas Venezolana de Television Network in Spanish 1530 GMT 27 May 96

[FBIS Translated Text] According to Development Minister Freddy Rojas Parra, prices have not been totally deregulated because the executive provision published in the GACETA OFICIAL states that family basket prices will be set in accordance with the structure of production costs, with prior notice to the Development Ministry. Rojas has said this is being done in order to establish responsibility within the chain of production. For example, in the case of milk and its byproducts, the agriculture industry must reach an agreement with stockbreeders on profit margins, without the intervention of the executive.

Rojas added that the decision does not necessarily imply another increase in the prices of these products. In his opinion, a decrease in demand will force producers and merchants to sell at bargain prices while giving consumers the benefit of prices lower than the current rates.

Venezuela: Deputies Approve Fogade's Recapitalization

PA2505161596 Caracas Venezolana de Television Network in Spanish 1530 GMT 23 May 96

[FBIS Translated Text] With R Cause's dissenting vote and Copei's [Social Christian Party] abstention, the Chamber of Deputies has approved a 200-billion-bolivare public credit to recapitalize the Deposit Guarantee and Bank Protection Fund (Fogade).

Of this credit, 54 billion bolivares will serve to return the money deposited in Progreso, Principal, Professional, and Italo banks, to be distributed in the following manner: 28.133 billion for deposits pending of return; 12.066 billion to standardize deposits of between 4 and 10 million bolivares; 13.845 billion to cover checks in

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transit until 28 December 1995; 54 billion will be used to reorganize Banco Latino; the remaining 92 million will be used to cancel (?transfers) from Consolidado and Venezuela banks.

Democratic Action, MAS [Movement Toward Socialism], and National Convergence agreed, saying that Fogade presented fundamental evidence it did not have at the time the report was presented at the Chamber of Deputies, and that a credit request stipulated 54 billion instead of 200 billion.

[Begin recording] [Deputy and Finance Commission member Luis Gomez Febres] It was necessary to reinforce the capital of nationalized banks in order to privatize them as soon as possible, so the state can recover a significant portion of the cost of the financial crisis we have experienced.

[Democratic Action (AD) Deputy Omar Barboza] We must accelerate the privatization of Banco de Venezuela and Consolidado Bank and reinforce the financial system for which this credit is useful. [end recording]

Fogade's arguments, however, failed to persuade R Cause and Copei representatives, who said that AD's change of figures and position is a result of the replacement of Banco de Venezuela's Board of Directors, reportedly spurred on by leader Alfaro (?Botero).

[Begin recording] [R Cause Deputy Rodrigo Cabezas] An obligation has been approved to pay the interest of a debt that has not been incurred neither by the society nor the people, but by the state bureaucracy. This circumstance forces us to abstain from voting, although we affirm our solidarity with Venezuelan depositors.

[Copei Deputy Edgar Barnarroch] We have received no special explanation from Fogade on these matters, although we have requested it a number of times. The explanation we have received is completely irrelevant and unconvincing to us. For this reason, we dissented at the Commission today. [end recording]

Anyway, the report is scheduled to be presented to the Chamber of Deputies on Thursday. If it is not approved, it will have to be discussed in a joint session.

Venezuela: Poverty, Social Programs Viewed

96SM0302A Caracas EL UNIVERSAL in Spanish 29 Apr 96 Section 2 p 4

[Article by Luis Manuel Escalante]

[FBIS Translated Text] Caracas—Poverty in Venezuela rose from 57 to 65 percent between 1988 and 1992; it climbed to 67 percent of the population in 1993, and by the first quarter of this year, 1996, to 76 percent, according to studies conducted by the Center for Labor Studies, which Carlos Eduardo Febres heads.

The national government and local governments have thus been forced to take action to alleviate this situation in order to avoid a social explosion. However, these individual programs, like the ones undertaken in 1989, bear no relationship to the standing programs for assistance and social security.

In a parody of the Christian parable, we continue to give people fish instead of teaching them how to fish and, in practice, we continue to debase those most in need.

History Repeats Itself

In 1989, when the economic adjustments began, the social explosion on 27 February forced the government to put a social program into practice. Funding was required, but it took the National Congress almost two years to approve it. In the meantime, conditions among the Venezuelan people worsened; unemployment rose from 9 to 10.3 percent, and the poverty level climbed alarmingly.

Back then, as now, a series of social programs were implemented to cope with the short-term situation. They were in no way linked, however, with the standing programs or with efficient follow-up mechanisms to determine accurately whether the aid was reaching the people who needed it.

Research conducted by very reputable institutions has found that the wage grant, the Mother-Child Food Program [PAMI], and the milk subsidy were not reaching 40 percent of the families who needed them, while 30 percent of the recipients do not need them.

Besides the lack of social management to ensure that these programs are effective, plus their detachment from the standing programs, Carlos Eduardo Febres sees the underlying problem as the absence of a national plan for the country. "Since we do not have a plan for the country, we can hardly have a social agenda," says Febres, who as a member of the Social Affairs Committee suggests a legislative agenda in this regard.

Laws and Reforms

This legislative agenda ought to comprise, in the area of social security, health care, unemployment insurance, pension funds, savings banks, recreation, housing, professional training, jobs, and income. To fulfill these objectives, ... proposes reforming the Social Security Law and the Retirement and Pension Fund Statute Law, or a new Social Security bill.

The agenda also includes the Savings Banks Law or the Organic Law of Economic Solidarity; reform of the

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Incret [Worker Training and Recreation Institute] Law; reform of the Inavi [National Housing Institute] Law; the Housing Policy Law, and the Law of the National Housing Council; reform of the INCE [National Institute for Cooperative Education] Law, and the establishment of an employment and incomes policy.

The second half of the proposed agenda addresses labor policy, the main components of which would be collective bargaining, social benefits, job security, freedom to hire and fire, and union contracts. To this end, he recommends reform of the Organic Labor Law, seeing this as "indispensable, even if some sore points are touched."

In this same regard, he sees a need to invigorate and update the labor movement and to tailor current demands to conditions on the labor market.

As for social development, Febres proposes creating a specific ministry for this area that will focus the scattered efforts which various agencies are now making and that will coordinate the action of nongovernment organizations.

The legislative agenda for social problems also addresses protection of minors, constitutional rights, and the status of Indians. To this end, Febres recommends reform of the Minors Protection Law and the National Constitution and consideration of a bill on ethnic groups.

The director of the Labor Studies Group feels that the absence of a national plan prevents a social agenda from being carried out, and that for this reason only sporadic action is being taken, without a long-range view. Plans are made to tackle specific problems, and we thus do not see the link between isolated social spending and its utilization to make real improvements for the Venezuelan family in the medium- and long run.

This is also the result of the lack of appropriate legislative authority and of a policymaking body that can help optimize social investment. This is the main reason why efforts and resources are dissipated, as several different agencies perform the same task. Such dispersed, overlapping efforts lead to inefficiency, besides which there is no followup. Furthermore, nongovernment organizations also vie for funding and spheres of activity.

Another problem is that despite the current talk, social action — the foundation of a more efficient society that can foster development and growth — continues to take a back seat to economic policy, which remains in the forefront. In other words, social policies are still secondary.

Febres acknowledges that lumped together, the funds spent on social policy are considerable; however, the lack of effective coordination in this regard prevents these policies from achieving the results that could be expected of them.

Social Spending

Only 3 of the 16 social programs on the Venezuelan Agenda take a medium- and long-term view — in other words, preparing their beneficiaries for social and economic advancement.

They are: the retraining program, which is designed to help some 21,281 persons, presumably civil servants who will be leaving their jobs and need retraining; the youth training and jobs program, which will presumably help 11,546 young people who have left school; and the temporary job development program, which is targeted at 13,535 people around the country.

The other 13 are designed to solve isolated problems.

The estimated budget of these 16 programs is 434.92 billion bolivares, 2.64 percent of the GDP.

According to the estimates of Venezuelan Agenda, contributions from multilateral agencies in the amount of 280.406 billion bolivares are needed to cover this budget.

Dispersed Efforts

Until the 1980's, social policies were executed chiefly by the ministries of Health and Social Assistance, Labor, and Education. There was no umbrella agency, but it was clear that these ministries were pursuing long-range policies designed to create social conditions for development.

This situation changed when the Ministry of the Family appeared, and also later when compensatory programs began in 1989.

At that point, two parallel social policies emerged. One has consisted of the universal or traditional social programs, which continue to be carried out by the ministries of Education, Health, and Labor; the other includes isolated social programs, which are mainly the compensatory programs carried out by a wide range of ministries and by public and private agencies alike.

This has led to dispersed, overlapping efforts, and to spending that is not cost-effective.

Carlos Eduardo Febres feels that this situation would end if a single body were in charge, in this case a Ministry of Social Development. In this connection he accepts the suggestion that this ministry emerge from today's Labor Ministry. All social action would be concentrated in it, and the Labor Ministry would be relieved

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of its specific functions as a labor intermediary; these ought to be the responsibility of an autonomous agency, such as the Prosecutor's Office, the Comptroller's Office, or the Attorney General's Office (inasmuch as the Labor Ministry is part of the central government, which has employees with whom conflicts arise, and so should not be a party to a dispute and a judge at the same time).

Income

In conclusion, one of the main social problems is the low income level of the work force, which is estimated today at 8,611,124 persons, according to the National Office of Statistics and Information Science [OCEI].

This leads to low purchasing power and a declining quality of life. To overcome this situation, Febres recommends reforming the Organic Labor Law in order to make labor-management relations more flexible, overhauling the current system of social benefits, and establishing a more appropriate wage policy.

According to a several-country study, in 1995 a man-hour in the manufacturing industry was less expensive in Venezuela than anywhere else in the world.

The automobile industry, which pays the highest wages, was taken as the benchmark in this study. Its findings were as follows: Germany, $25.56 per man-hour; Japan, $19.29; the United States, $16.79; Korea, $5.87; Singapore, $5.38; Taiwan, $5.23; Hong Kong, $4.31; Mexico, $3.75; and Venezuela, $3.42 (this was in 1995; it has since fallen to $1.24 per man-hour, based on an exchange rate of 466 to 1, the closing rate on Friday 26 April).

Venezuela: New Supreme Court Chief Justice on Goals

96SM0302B Caracas EL UNIVERSAL in Spanish 27 Apr 96 Section 1 p 14

[Interview with Supreme Court Chief Justice Cecilia Sosa Gomez by Roberto Giusti in Caracas; date not given]

[FBIS Translated Text] Caracas—Cecilia Sosa Gomez spent her first morning as the head of Venezuela's Judiciary overwhelmed by the aftermath of her victory. Assistants and subordinates alike gave her no respite, besieging her with intimidating bundles of documents, while the telephone rang constantly, several justices asked for her, and the press tried to paint a pleasant, trite portrait ("What is your hobby, your honor?") of a Venezuelan woman who had just made history. In an adjoining office her husband was waiting, with mounting impatience, for her to cut matters short so that they could begin driving to Puerto La Cruz, where they had an unavoidable family commitment.

There was nothing he could do, as the demands of the office put her endurance to the test, and she calmly answered questions about such things as her much talked about membership in AD [Democratic Action], former President Perez' attitude towards his trial, or President Caldera's alleged meddling in court affairs.

[Giusti] Are things going to change at all because a woman has become chief justice of the Supreme Court for the first time in history?

[Sosa Gomez] This is significant only and precisely because the qualifications for holding the job have nothing to do with gender. This is just as important as acknowledging my fellow justices for having entrusted the leadership of the court to a woman. And although this does not at all alter how the Court rules or its jurisdictions, there really is a change of style. Women have a way of running things according to certain patterns that differ from the ones that hold for men.

[Giusti] At times style can alter substance.

[Sosa Gomez] At least it can start to alter substance.

[Giusti] So will there be changes in the Court?

[Sosa Gomez] If I do not make them directly, at least some seeds will be planted so that they can continue. One year is not enough to make all the changes required. But I do think that by starting from modest goals, by trying to find the thread running through events in the Judiciary, we can start conveying an image of trust, frankness, honesty, and hard work, with a unified concept of the Judiciary.

[Giusti] Do you think it has this image at present?

[Sosa Gomez] If we do not, I would want us to, but I am convinced that we do. And this has to square with the country's other courts. An image has to be earned.

[Giusti] What are the essential changes that you intend to make in pursuit of these goals?

[Sosa Gomez] I want to clean house and put it in order by taking action on three levels. And when I say clean, I do not mean firing people or abolishing things. As the Judiciary we cannot ask the other courts to be efficient and timely unless we ourselves are. The chief justice focuses on running the full court, which has many undecided cases before it.

[Giusti] How many cases still await rulings?

[Sosa Gomez] We are talking about some 700 case files. This does not sound like many, but it is, if we bear in mind the responsibility that they entail. The best example that the court can set is by bringing its caseload up to date. This is the only way we can demand that the

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other courts be prompt. Of these 700 cases, about 350 are behind schedule.

[Giusti] Can you bring the court up to date in just one year?

[Sosa Gomez] This is a goal that I want to set as I preside over the full court, because I believe in the Constitutional Division, and the best way to pave the way for its creation is by leaving it free and clear. If we reexamine the cases and determine how far along they are, we can make headway in this process. The promise that I will not hear any cases is suddenly not being fulfilled, but I will work to achieve this.

[Giusti] What bills will you submit to Congress?

[Sosa Gomez] There are three of them. The first is the administrative litigation law [ley de contencioso administrativo], which would prompt a revision of the Supreme Court Law under which the court would be left with only operations and organization, litigation having been transferred. A second area has to do with our taking the initiative in reforming the Amparo Law. We are aware of the warnings that "amparitis" is hobbling the government in the discharge of its functions. This has to be tackled in a very balanced way, because the Organic Amparo Law has been the only instrument capable of sustaining the Judiciary while doing something about the slowness of the courts and protecting basic constitutional rights. There have been abuses, to be sure, and this is what requires certain corrections. If we are going to have a Constitutional Division that handles this matter, then let's prepare a bill that is consistent with this approach. The third is the bill on constitutional jurisdiction. We cannot create a division just by redrafting the Supreme Court Law; creating it requires a restructuring that will invigorate constitutional reform, which must go beyond rhetoric. Nothing is more important than guaranteeing human rights.

[Giusti] One cloud hanging over the Judiciary is the oft-denounced meddling by politicians and the Executive Branch in the Supreme Court's decisions.

[Sosa Gomez] We have to learn to live together as branches of government. We must not be afraid to acknowledge that the separate branches provided for in the constitution have a single purpose: to serve as a framework so that society can function. To whom do I have to submit the bills of which I have been speaking? To Congress. And where do the major restrictions on my budget lie? In the Executive Branch.

[Giusti] This is evidence of...

[Sosa Gomez] Cooperation among the branches...

[Giusti] Or of the Judiciary's dependence on the other branches.

[Sosa Gomez] That depends on how we look at it. The budgetary part has to be kept permanently separate, just as the Comptroller's Office kept it separate. We must have budgetary separation. We cannot keep on turning to the Executive Branch for a budget adjustment or for additional funds. Now then, this sort of administrative dependence cannot be seen as a power-dominated relationship. I do not think the chief executive will ever say: "I am not going to give it a budget unless it does such and such." I assume that we are living in a slightly more sophisticated country.

[Giusti] Do you have a liking for any particular political party?

[Sosa Gomez] No. I have a liking for them all. I received the support of all parties when I was appointed magistrate. I was described as an AD backer — something I am very aware of because the press has repeated it — because I was nominated when the system was a bit different. And I am still here. But I have ruled in so many cases involving political parties that I could be a supporter of MAY [Movement Toward Socialism], Cause R, or AD.

[Giusti] What do you think of Carlos Andres Perez' opinion that President Caldera put pressure on the Supreme Court in deciding his case?

[Sosa Gomez] This was a political remark from former President Perez. He is a man from a very important political force. I think that his remark was aimed not at the Supreme Court but at the president of the republic. This is common among politicians. Former President Perez has taken a very serious stand against the Judiciary and specifically against the court that has been trying him. He is a man who has challenged the justice system.

[Giusti] But were President Caldera's insinuations appropriate?

[Sosa Gomez] Here we enter the area of meddling. If I were to answer that question, I, as chief justice of the Supreme Court, would be meddling in the office of president of the republic. And I don't think I should do that.

[Giusti] What do you think of the conviction of former President Perez?

[Sosa Gomez] His conviction is under study by all the justices, and we have to wait and see what the Court's decision is. Remember that one justice submitted a draft opinion and is awaiting the reaction of his colleagues. I

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said yesterday that we ought to be quite discreet about what we are doing in connection with the draft opinion.

[Giusti] In any event, you dissented in the preliminary ruling on the case.

[Sosa Gomez] I dissented on that occasion and on many others. The law is wise in allowing those who do not concur with the majority of the Court in a given instance to adopt a different view. I have maintained a very consistent position on this case so far, and I am examining the text right now to adopt a position.

[Giusti] Are charges of embezzlement sufficient grounds to remove a president of the republic and cause such institutional turmoil?

[Sosa Gomez] If I were to answer that question, I would be providing a preview of my thinking and my position on the matter. I prefer to keep such comments to myself until a decision is made.

[Giusti] If the opinion written by the justice were to be rejected, would you make use of your legal right to draft it yourself?

[Sosa Gomez] We ought to wait and see what happens with the opinion. The law is very clear about the powers of the chief justice of the Supreme Court in this regard.

Suriname

Suriname: NDP Leader Bouterse Says Elections 'Fraudulent'

BR2805150096 Amsterdam DE VOLKSKRANT in Dutch 28 May 96 pp 1, 3

[Report on interview with Desi Bouterse, by Jeroen Trommelman, in Paramaribo, date not given: "If We Opt for the Street, Then We Will Take the Whole of Paramaribo — Bouterse Maintains Doubts on Fairness of Surinamese Elections"]

[FBIS Translated Text] Paramaribo — NDP [National Democratic Party] Chairman Desi Bouterse does not yet know what he should do about the "fraudulent" elections in Suriname: Accept them or go onto the streets with his furious supporters. But: "The strength of our party is order, discipline, and organization, therefore no one will do irresponsible things," he says.

Bouterse has just finished a meeting with 3,000 of his most faithful supporters. The NDP's victorious defeat was assessed on Saturday and once again the conclusion is: fraud. In the morning its supporters were already being warmed up by radio broadcaster KBC, where party spokesman B. Breeveld called for an hour and a half on his talk show for people to report irregularities. In the Netherlands, he said, none other than RTL news had reported that 30,000 votes had gone missing. "Netherlands journalists are always informed first about that kind of thing," he said. However, clear examples of fraud did not come in and the fact that the Netherlands report is incorrect is not mentioned.

At the party meeting new elections are demanded in a high tone and a local president made an emotional report on fraud in an old people's home where nurses were said to have got the old people to vote in mass for the Front [New Front party]. He leaves the stage in tears.

Bouterse attacks Netherlands meddlesomeness, due to which the elections are said to have not taken place freely and fairly. But he refuses to commit himself about the validity of the result.

As he also does in an interview with DE VOLKSKRANT. Accepting the report or going onto the streets with a furious mass — according to the former Army leader and NDP chairman both are still possible.

[Trommelman] Should you not have simply called on your rank and file to accept the results for the time being, rather then letting the genie out of the bottle?

[Bouterse] Well, no. It would have been unjustified to say that people should accept the results when 67 election stations still have to be counted.

[Trommelman] According to the main election office, there are not 67 but four.

[Bouterse] OK, this morning they sped up, but where did those ballot boxes stay all that time? And why are ballot papers missing? It would be really unjustified for me to say that, that would go too far.

(If an unhappy NDP rank and file goes onto the streets and causes trouble, then he does not feel he would be responsible.)

[Bouterse continues] As you know the strength of our party is order, discipline and organization, therefore no one will do irresponsible things. It would have been child's play to go on the streets with this group. But if we opt for the street, then we will take all of Paramaribo. Then we will not come with 3,000 people, but we will bring along 50,000, 60,000 or 70,000 people onto the street.

(Bouterse does not want to say when the decision would be taken and what it depends on.)

[Bouterse continues] We still have to see. There are still 67 ballot boxes, therefore changes could still take place. Depending on that, and on what the main election

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office does, and on our own planning, action would be carried out. Anyone who has some feeling for democracy cannot say that our complaints are twaddle. They are solid, clear matters which stink of corruption and irregularities.

(Bouterse leaves open the question of whether he is prepared to accept the results if they were declared valid by the OAS and the head of the independent election office.)

[Bouterse continues] We have a starting point that free, fair elections are respected by everyone. Certainly by our party. But we do have problems with the irregularities, as they are being made known today on a massive scale.

The election office will decide whether the elections are valid. But then you could get problems with the masses, who have a different view. The question of whether there should be new elections should not be asked to me, but to the people.

[Trommelman] The question is whether you find these irregularities so great that the election cannot be declared valid.

[Bouterse] The question is: Do you or I have an understanding of that? It is certain that 67 ballot boxes are not right, and that the seals of some boxes were broken, and that boxes were broken into from which ballot papers are missing.

[Trommelman] According to the election office only four boxes are missing, and you know that, therefore it is better than expected.

[Bouterse] I have answered that question.

(He sees two possibilities for the future of his party. Taking its place on the opposition benches or in a national cabinet, no matter how improbable the latter option is.)

[Bouterse continues] The coming days will be exciting in the political world in Paramaribo. Movements are already taking place. A few parties are in excellent positions. As the biggest party we could remain in opposition.

(But by allowing the [New] Front to lose strongly, the people have chosen another possibility, according to Bouterse.)

[Bouterse continues] Assuming that the elections were fair, one party has not been clearly indicated. The people are therefore asking for a national cabinet.

(However the new relations point to the opposite: A continuation of the [New] Front government with one or two small parties. With the NDP in the opposition. Would Bouterse accept that?)

[Bouterse continues] Under that option we would grow further and we would think about the interests of our party. However, if you are thinking about national politics, then the party can choose to make itself available, together with the other parties. It depends. Therefore I say: It can still become exciting.

Suriname: President Calls on NDP To Accept Results

BR2805150196 Amsterdam DE VOLKSKRANT in Dutch 28 May 96 p 3

[Report by Jeroen Trommelen: "Venetiaan Urges Bouterse To Give Up Resistance"]

[FBIS Translated Excerpt] Paramaribo — Surinamese President Venetiaan has called on Desi Bouterse's party, the NDP [National Democratic Party], to give up its resistance against the election result. He claims the party is being stirred up by its own propagandists to contest the result. Venetiaan drew an analogy with the December 1982 murders and with the 1980 coup.

Says Venetiaan: "My theory is that on these occasions the NDP was also misled by its propagandists. Right now this is happening to conceal that their propaganda was not very efficient during the elections." [passage omitted]

On Monday afternoon [27 May] the results of four inland polling stations were still unknown while the four leaders of the ruling New Front [NF] were still unaware of the precise distribution of seats within the combination. The latter is dependent on the preference votes which have not been counted yet.

According to F. Derby from the NF, the delay is caused by the large number of parties which took part in the elections and by the high percentage of preference votes. As a result the public counts (which can be attended by the public, just like the voting itself) took longer.

Derby had an original explanation as to why fraud is out of the question. "Should the NF have wanted to commit fraud, we would obviously do so to win 32 seats instead of 24." With the present distribution of seats, the Front has to turn to a fifth and possibly even a sixth coalition partner.

According to the almost final result, the Front wins 24 out of the 51 seats. Bouterse's NDP accounts for 16 seats. The parties Pendawa Lima and DA'91 have four seats each, against three for the Alliance. The seat which had allegedly been won by former jungle commander Ronnie Brunswijk's party, was lost in the final count.

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The four Front leaders ruled out cooperation with Bouterse's NDP on personal grounds. The Alliance, which includes several former NDP members, is no potential partner either. Talks will be conducted with DA'91 and Pendawa Lima, but the four politicians avoided questions about their initial premises. It is assumed that both the new coalition and the presidential candidate will be prepared in back rooms in the next few months.

Venetiaan hinted that he was not in a hurry to investigate the December 1982 murders. Until shortly before the elections there were formal attempts to set up a preliminary commission to that effect. He claims that these attempts failed partly because of the reluctant attitude of the commission's potential members. "We will now investigate whether we can find people who are willing to be part of such a commission, but not at this point."

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